

# 'Another Day in the Pizzeria'

Disclosure on Pelton Shrugged Off in Va.

By Anndee Hochman  
Washington Post Staff Writer

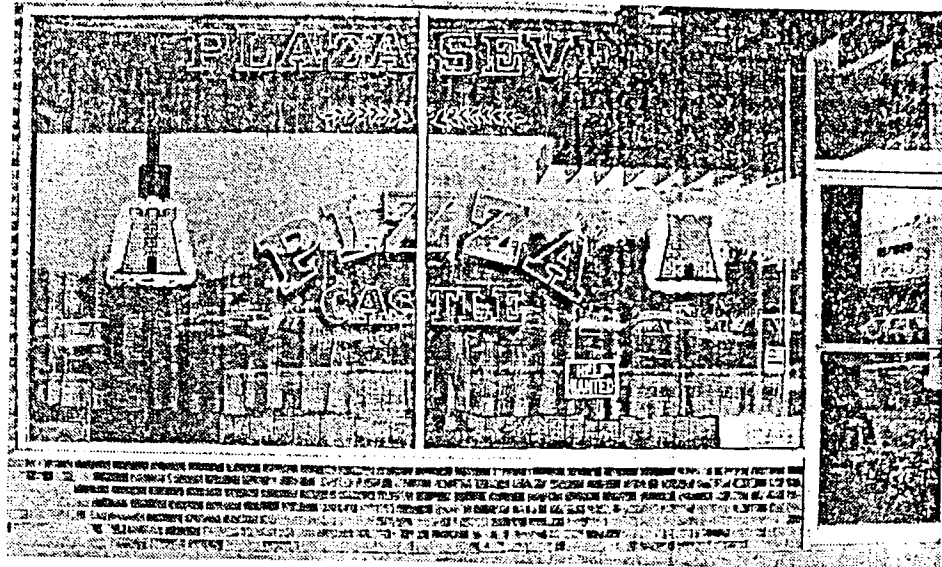
As far as George Alexakis and his three sons were concerned, the only secret at their Pizza Castle restaurant in Falls Church was the recipe for deep-dish pizza.

When FBI agents approached Alexakis and several waitresses last year with photographs of accused spy Ronald W. Pelton, who they said may have used Pizza Castle's pay telephone to communicate with Soviet contacts, they said the man looked familiar—but not much more so than dozens of patrons who have filled Pizza Castle's black vinyl booths for 10 years.

After a decade of restaurant ownership, said Alexakis' oldest son Kostas, "Nothing surprises you." The disclosure yesterday that Pelton allegedly used the restaurant to arrange "drops" of top-secret materials, he said, "was just like, 'Oh. Another day in the pizzeria.'"

Alexakis' pizzeria, tucked in a string of small shops at 6781 Wilson Blvd. near Seven Corners, draws an eclectic stream of customers—employees of Climate Heating and Cooling discussing business over coffee, a couple of Bishop O'Connell High School students enjoying sodas and perhaps a few Alexakis relatives who gather in a back booth, talking in Greek and English.

The business, said Kostas, "requires getting used to chaos. It's not the exception, it's the rule ... there's a strange mixture of people that goes through here."



The Pizza Castle, 6781 Wilson Blvd., Falls Church, is where Pelton allegedly talked by telephone with Soviet contacts.

The Alexakis family moved here 20 years ago from Tarapsa, a small town near Sparta. "My family has been coming to the United States since 1912, in waves. We were the last wave," said Kostas.

George Alexakis bought Pizza Castle in 1976, when it "was ... nothing," he recalled. "The pizza they served was not good. We worked hard for two years cleaning up the business."

Kostas visited some cousins in Waterbury, Conn., and returned with the idea for deep-dish pies. "I came back with a new pizza recipe, new pizza pans. Business picked up right after that."

The family preserved the restaurant's original decor—red velvet wallpaper in a trefoil design, vinyl tablecloths and booths, hanging lamps in ochre glass that give the room a dim, milky look even in broad daylight. Shiny chrome jukeboxes in which "Greek record" is listed along with Cyndi Lauper's "She Bop" hang above each booth.

"We've kept the same tacky wallpaper. I think we kept it because we can't decide if it was put on upside down or not," said Kostas Alexakis.

George Alexakis, his wife Frosso, and his children—Kostas, 31, Tony, 30, Dimitri, 28, and Joanna, 17—work in the restaurant.

"I think we're addicted to the business," said Kostas. "There's nothing to like about it. It's hard work. But I like the personal contact. And your day's never boring."

Kostas paused yesterday, during the lull between lunch and dinner,

*"... there's a strange mixture of people that goes through here."*

— Kostas Alexakis

to eat a steak and cheese submarine sandwich—"the best in town," he said with a grin.

Henry Rodgeron, sales manager at Climate Heating and Cooling next door, stood at the cash register while George Alexakis rang up his lunch bill.

"Some days we live here. George thinks we live here," said Rodger-

son, 39. " ... Sometimes we hold our corporate meetings here, all the corporate officers. We're here all day, drinking coffee."

At a table near the front, Siobahn Mullen and Susan Clark leaned toward each other across the green gingham cloth. Both are 17 years old, students at Bishop O'Connell High School.

"We just drink. Coke," said Mullen.

"Or ice with lemon in it, because water's good for you," said Clark.

Alexakis and his son said that while they do recognize regular customers, it is hard to keep names and faces straight in the transient neighborhood.

"I have so many that come, so many that know me, but I can't remember the names," said George Alexakis.

The customers—those aware of the news about Pelton—have their own concerns about Pizza Castle's new notoriety.

"I hope it doesn't force them to go down on their quality of food," said Rodgeron. "Sometimes, a place is good until it gets a little advertisement."

The Washington Post 5/28/86  
Daily News (New York) \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
The Chicago Tribune \_\_\_\_\_  
The Los Angeles Times \_\_\_\_\_  
The Christian Science Monitor \_\_\_\_\_

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196-57117

# Sentencing Is Delayed In Pelton Espionage Case

## 'Turf Battle' Between Two Agencies Cited

By Sharon LaFraniere  
Washington Post Staff Writer

The sentencing of Ronald W. Pelton, a former National Security Agency employee convicted of selling intelligence secrets to the Soviet Union, was postponed yesterday from Nov. 21 to Dec. 16.

Breckinridge L. Willcox, the U.S. attorney in Maryland, said the delay stemmed from "a turf battle" between the FBI and the NSA over which agency will take the lead in assessing how much Pelton's betrayal of his agency's secrets hurt U.S. intelligence-gathering activities.

After his June conviction on three espionage-related charges in U.S. District Court in Baltimore, Pelton agreed to give the government an account of what he disclosed to Soviet agents about U.S. intelligence-gathering projects targeted at the Soviet Union.

Willcox said that both the NSA and FBI were involved in Pelton's "extensive debriefing" and both wanted to conduct the "overall assessment." He said the assessment would deal with such questions as whether Pelton cooperated fully and whether U.S. authorities had corroborated what he told them.

Willcox called the dispute "not an atypical governmental infight." He stressed that government officials had not run into the problems that preceded the sentencing of admitted spy John Anthony Walker Jr. because investigators do not question whether Pelton is telling the truth.

Walker agreed to cooperate with authorities as part of a plea bargain. But prosecutors became concerned about his truthfulness after Walker failed some polygraph examination questions.

Some military officials urged that prosecutors move to scrap Walker's plea bargain to seek a stiffer sen-

tence. Prosecutors ultimately decided to stick to the agreement, however, because they said they were unable to disprove what Walker had told them. Walker was sentenced last week to life in prison.

Pelton, 44, was found guilty of selling the Soviets a wealth of top-secret information about U.S. eavesdropping projects and capabilities. He faces a maximum sentence of life imprisonment on each of the three espionage charges, as well as a \$10,000 fine and 10 years in jail for disclosing classified information to an unauthorized person.

During the trial, the government presented evidence that Pelton gave the Soviets detailed information about five NSA operations aimed at intercepting and analyzing Soviet communications signals. He also provided what prosecutors termed "an encyclopedia" on Soviet communications intelligence that told the Soviets which of their signals were being analyzed.

THE WASHINGTON POST

TUESDAY, DECEMBER 22, 1987 A15

# Pelton Spying Conviction Is Upheld

United Press International

RICHMOND, Dec. 21—A federal appeals court today upheld the espionage conviction of Ronald W. Pelton, a former National Security Agency employee found guilty of spying for the Soviets.

Pelton, who was paid more than \$35,000 for classified information on NSA operations he provided the Soviets between 1980 and 1983, argued that statements he made to the FBI concerning the spying operation should have been excluded from his trial in U.S. District Court in Baltimore.

Pelton contended that he made statements detailing the operation because the agents led him to believe he would not be prosecuted, but would be employed in a counterintelligence operation.

He also argued that there was insufficient evidence to support his conviction of attempted espionage, a conviction based on an aborted attempt to meet with the Russians again in 1985 in Austria.

Pelton, who was sentenced to three life terms plus 10 years, also contended the District Court could not have admitted evidence obtained under the Foreign Intelligence Surveillance Act.

Judge J. Harvie Wilkinson, writing for the three-judge panel, turned aside all three arguments.

"We cannot credit Pelton's claim that he believed the agents promised leniency and assignment as a double agent," Wilkinson wrote. "Far from promising him assignment as a double agent, the FBI told him not to recontact the Soviets. The record is clear—and Pelton acknowledges—that the agents consistently refused to give any guarantees."

On the attempted espionage conviction, Pelton had maintained it should be thrown out because he did not know exactly what information the Soviets were seeking when he made the trip to Vienna, a claim Wilkinson also rejected.

"This ignores Pelton's entire mode of operation," the judge wrote. "Pelton's past acts of espionage had not involved the simple transmission of documents. Rather, Pelton contacted the Soviets and allowed them to ask him questions on matters that were of interest to them."

In reviewing the constitutionality of the Foreign Intelligence Surveillance Act, the appeals panel found it was used properly in garnering information about Pelton's activities.

Pelton, 46, worked for the NSA for 14 years as a technician. Shortly after he quit, he made contacts with Soviet agents to sell classified information about the agency's electronic eavesdropping programs.

A8 SATURDAY, DECEMBER 21, 1985

THE WASHINGTON POST

# Spy Suspect Had Access To 'Range' of Secrets

## Former NSA Employee Pelton Is Indicted

By Susan Schmidt  
Washington Post Staff Writer

BALTIMORE, Dec. 20—Accused spy Ronald William Pelton "obtained a wide range" of top secret U.S. intelligence information during his 14 years as a communications specialist with the National Security Agency, according to an indictment returned today.

The indictment, issued by a federal grand jury here, alleges that Pelton communicated with Soviet agents during a five-year period and received two payments totaling \$35,000 in exchange for information during trips to the Soviet Embassy in Vienna in 1980 and 1983.

According to the six-count indictment, Pelton had clearance for top secret and even more highly classified information during his entire tenure at NSA. At his arraignment three weeks ago, Pelton was accused of selling the Soviets "extremely sensitive" information about methods the United States uses to gather information about the Soviet Union.

Pelton worked in the area of signals intelligence, which includes monitoring of communications, radar and data on missile performance. He left the highly secret NSA in 1979 and is alleged to have spied for the Soviets from 1980 to 1985.

Today's indictment does not state what intelligence projects Pelton is alleged to have told the So-

viets about, but it indicates that he was in a position at NSA to have gathered a broader range of information than was previously disclosed.

An FBI affidavit presented in court at his arraignment said Pelton acknowledged that "he was questioned about practically every area of sensitive information to which he had access through his employment at NSA" during long debriefing sessions with Soviet KGB agent Anatoly Slavnov in Vienna in 1980 and 1983.

Prosecutors refused to say whether Pelton received any more money than the \$35,000 mentioned in the indictment.

Pelton, 44, was arrested Nov. 25 in Annapolis after five hours of discussions with FBI agents in which the FBI said he acknowledged he sold intelligence information to the Soviets. The FBI said he was identified as a spy for the Soviets based on information provided by Soviet KGB official Vitaly S. Yurchenko, who asked for political asylum here in August and abruptly decided to return to the Soviet Union last month.

Fred Warren Bennett, Pelton's court-appointed attorney, said his client would plead not guilty to all counts at a hearing Monday.

Bennett said he plans to challenge in pretrial motions the admissibility of the statements Pelton allegedly made to FBI agents before his arrest. Keeping the state-

ments out of evidence would be a fatal blow" to the government case, he said.

According to the indictment, Jan. 15, 1980, Pelton went to Soviet Embassy in Washington and turned over intelligence information to Soviet officials. On an unspecified date later that year, Pelton traveled to Vienna and delivered intelligence information to a Soviet agent, for which he was paid \$20,000 in cash, the indictment said.

In January 1983, the indictment charges, Pelton returned to Vienna and again delivered intelligence information, for which he was paid \$15,000.

Last April, he allegedly made a third trip for the purpose of meeting with a Soviet agent. According to the FBI's affidavit, Pelton stayed in Vienna for three days on that occasion but was unable to meet with the Soviets then.

The indictment said that in the summer of this year, Pelton traveled by car "toward a designated location in Virginia for the purpose of communicating with an agent of the Union of Soviet Socialist Republics."

In an interview earlier this month, Pelton's girlfriend recalled one occasion when she and Pelton came "flying back" from Annapolis because he had to receive a secret telephone call at a Pizza Hut in Virginia.

The girlfriend, Ann, who spoke on the condition her last name not be used, said Pelton told her then that he was working undercover for the U.S. government. She said that Pelton became very upset when car trouble held them up and he was unable to get to the Pizza Hut for the call. "He said, 'Ann, that's our money and now we don't have it,'" she said.

Court records show that Pelton filed for bankruptcy in 1979 and

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RONALD WILLIAM PELTON  
Accused spy, indicted here

was having serious financial difficulties about the time he allegedly made contact with the Soviets in 1980. But his circumstances appeared to have improved in recent years.

According to his girlfriend, Pelton, who lived for a number of years in a Dupont Circle apartment, paid her rent and bills and spent as much as \$500 a week on dinners and entertainment. At the time of his arrest, Pelton was working as a yacht salesman in Annapolis, earning a \$600-a-week advance on commis-

The indictment charges Pelton with four counts of espionage for delivering or attempting to deliver U.S. intelligence information to Soviet agents, one count of conspiracy to commit espionage and one count of communicating classified information to an unauthorized person.

The maximum penalty is life imprisonment for each of the five espionage counts and 10 years for disclosure of classified information.

The Washington Post 12/21/85  
Daily News (New York) \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
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The Los Angeles Times \_\_\_\_\_  
The Christian Science Monitor \_\_\_\_\_

Date 12/21/85

THE SUNDAY TIMES, 12 JANUARY 1986

# British link in spy arrest

by Mark Hosenball  
Washington

A FORMER American intelligence official now charged with spying for Russia worked for six years on top-secret assignments in Britain, The Sunday Times has learned. Ronald William Pelton, a former employee of the American National Security Agency, was posted to Britain on secret business in the late 1960s and early 1970s. He was arrested by American authorities last November on charges of spying for the Soviet KGB. US court documents say he was thoroughly questioned by his Russian contacts about all his work for the super-secret American eavesdropping agency. Pelton's job with the security agency was so secret that American officials have refused to say what he did during any of the 14 years he was on the staff. They have also declined to say where Pelton worked when he was posted to Britain between 1966 and 1972.

It is known, however, that the agency maintains a satellite communications station at an American army base at Menwith Hill, near Harrogate, and that it also has a large "liason" staff at Government Communications Headquarters (GCHQ), the British eavesdropping centre at Cheltenham. American officials were extremely angry when they discovered that Geoffrey Prime, the former Cheltenham linguist and convicted Soviet spy, may have compromised US spy satellite secrets that had been shared with Britain. Now the Pelton case has raised the possibility that an American traitor may have compromised British eavesdropping secrets. Pelton, 44, worked for the National Security Agency between 1965 and 1979. Shortly before leaving the staff he became bankrupt. American officials say it was his personal financial difficulties that led him in January 1980 to visit the Russian embassy in Washington seeking to sell secrets he acquired. The Russians flew Pelton to Vienna on at least two occasions for "debriefing". There, he has told the FBI, he was questioned for up to eight hours a day "about practically every area of sensitive information to which he had access through his employment at NSA". About all the American government has said about the type of secrets compromised by Pelton was that they included information about "a United States intelligence-collection project targeted at the Soviet Union". Pelton has pleaded guilty to spy charges.

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The Washington Post \_\_\_\_\_  
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The New York Times ☒ \_\_\_\_\_  
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The Christian Science Monitor \_\_\_\_\_

Date 1/12/86

# ARREST

From page 1A

On one occasion, the government charged, Mr. Pelton provided specific information relating to a U.S. intelligence collection project targeted at the Soviet Union.

"NSA representatives have confirmed that Pelton had access to extremely sensitive information relating to that project . . . the disclosure of which may be potentially damaging to the United States," the affidavit said.

Reagan administration officials yesterday confirmed that it was KGB defector Vitaly Yurchenko who identified Mr. Pelton as a Soviet spy. Mr. Yurchenko, who also named another alleged spy who remains at large, "redefected" to Moscow earlier this month.

During FBI interrogation on Sunday, Mr. Pelton admitted meeting with KGB officer Anatoly Slavnov on several occasions between January 1980 and January 1983. As recently as last April, the FBI said, Mr. Pelton made a spy trip to Vienna to meet with a Soviet contact.

Mr. Pelton admitted receiving cash payments from the Soviets on several occasions, including a \$15,000 payoff as a result of a 1983 trip to Vienna.

The affidavit said Mr. Pelton's spying began after he went to the Soviet Embassy in Washington in January 1980 offering to sell information. He had serious financial troubles at the time and had filed for bankruptcy in April 1979, according to court records.

Mr. Pelton admitted taking his first trip to Vienna in October 1980. On that and subsequent trips, the FBI said, he spent three to four days in the country, housed at the apartment of the Soviet ambassador to Austria, located within the Soviet Embassy compound.

The FBI said that on both occasions, Mr. Pelton spent about eight hours a day in debriefing sessions with Mr. Slavnov, providing written answers to written questions.

It was during the debriefing sessions, the affidavit said, that Mr. Pelton "was questioned about practically every area of sensitive information to which he had access through his employment at NSA."

NSA records indicate that Mr. Pelton in 1978 authored a classified document concerning technical information about the Soviet Union which, the NSA said, related to U.S. defense. Mr. Pelton told the FBI that his Soviet

contact was interested in all programs outlined in the document.

The most secretive and largest of the U.S. intelligence agencies — so secret that the agency refuses to disclose the number of its employees — the NSA monitors communications around the world through electronic listening posts and intelligence-gathering satellites.

The NSA also specializes in cryptography — cracking of secret codes.

A spokesman for NSA, Barbara Prettyman, said yesterday there would be no immediate comment on the case "because all the pieces are not yet together."

In Annapolis, there was amazement that Mr. Pelton — the fourth espionage arrest in five days — had been apprehended in the Chesapeake Bay community.

Nobody at the Hilton Inn Hotel, where Mr. Pelton was arrested, could identify his photograph when a reporter showed it yesterday.

"I am a trained observer and an ex-policeman," said the night desk clerk, "and I can't remember seeing him."

Mr. Pelton is alleged to have been a "yacht dealer," but no one in that tightly knit harbor could identify him.

In an unrelated case yesterday, Anne Henderson-Pollard, charged Friday with assisting her husband in a scheme to sell highly classified documents to a foreign government, was ordered held without bond pending a preliminary hearing tomorrow.

U.S. Magistrate Patrick Attridge said Mrs. Pollard and her husband, Jonathan Jay Pollard, could appear together at the hearing, at which time federal attorneys will have to present sufficient evidence against them to justify holding them for trial.

At that hearing, the Pollards can request that bond be set.

Mr. Pollard faces life in prison if convicted of espionage. His wife has been charged with unauthorized possession of classified documents, and could be sentenced to 10 years in prison and \$10,000 fine if convicted.

Yesterday, the short, plump red-haired woman requested that arrangements be made in jail to allow her to take prescription medicine, which she said she had had trouble getting since her arrest Friday.

Her attorney did not contest the decision to order her held without bond.

Staff writers Barnard L. Collier and Michael Hedges contributed to this report.

# FBI arrests ex-NSA worker accused of spying for Soviets

By John McCaslin  
THE WASHINGTON TIMES

FBI agents early yesterday morning entered an Annapolis hotel and quietly arrested a former National Security Agency communications specialist who the FBI said had admitted selling "extremely sensitive" information to the Soviet Union.

Ronald William Pelton, 44, who possessed top-secret clearance while employed at the intelligence-gathering agency between 1965 and 1979, admitted under questioning the previous day that he had received money from

*Is the Justice Department trying to make the administration look good after the Yurchenko affair? Page 4A.*

*A personal look at spy suspect Jay Pollard. Page 4A.*

*A Ghanaian man accused of espionage gets 24 hours to leave the country. Page 3A.*

the Soviets on several occasions, including a \$15,000 payoff during a clandestine trip to Vienna, Austria, in 1983, according to an FBI affidavit.

Mr. Pelton, who recently has lived in Northwest Washington and in Silver Spring, yesterday appeared before U.S. Magistrate Daniel E. Klein in Baltimore on charges of gathering and delivering defense information to aid a foreign government.

His espionage activities continued through this year, the FBI said in an affidavit.

see ARREST, page 14A



Ronald William Pelton

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# Year of spy: Crackdown snares 10

Latest case pierced cloak and dagger USA; secrets sold to Soviet Union

By Sam Meddis  
USA TODAY

BALTIMORE — There was none of the glamour of a James Bond thriller. In rumpled cream slacks and an unpressed shirt, Ronald William Pelton stood in federal court — the fourth person in five days accused of spying.

The former communications specialist with the super-secret National Security Agency was fingered by Vitaly Urchenko — the fickle KGB defector who returned Nov. 6 to the Soviet Union, said FBI Assistant Director Bill Baker. Urchenko claimed that he hadn't defected, but was lured and kidnapped by the CIA.

Pelton's midnight arrest at an Annapolis, Md., hotel topped a weekend espionage sweep by the FBI — netting a top spy, an avy intelligence officer, his wife and an ex-CIA analyst. They brought to 10 the number of USA residents arrested in the year of the spy," as National Security Council consultant Roy Godson calls 1985.

White House spokesman Larry Speakes claimed victory:

Please see COVER STORY next page ►

## COVER STORY

# Money the likely motive

Continued from 1A

"This administration from the outset has set priority on rooting out cases of espionage over the past five years."

And the FBI has more counterintelligence agents than ever, said Baker, though he won't say how many. They meet daily to swap information with the CIA and get help from a sophisticated computer — similar to one used in the crackdown on organized crime — that keeps tabs on people's movements, spots patterns and makes associations.

In interviews with FBI agents before his arrest, Pelton, 44, admitted selling the Soviet KGB "extremely sensitive" national defense secrets, an affidavit by Special Agent David E. Faulkner says.

The once-bankrupt, \$600-per-week boat salesman confided that his spying stint lasted from January 1980 until 1983. It began just after he ended a 14-year career with the NSA — the USA's largest intelligence agency, so secret its initials are said to stand for "No Such Agency."

Its mission: To eavesdrop on the world.

At NSA, Pelton had top-secret clearance and worked within the machinery responsible for cracking codes — and devising unbreakable ones for the USA.

Pelton's first act of betrayal was as easy as walking into the Soviet Embassy in Washington, D.C., and turning over information on a USA spy project against the Soviets, said Faulkner.

Suspected motive: Money. In April 1979, Pelton had filed for bankruptcy.

The Soviets were more than willing to help him with his debts. It is not known how much he collected, Faulkner said, but he was paid \$15,000 in January 1983 on one of several trips to Vienna, Austria.

What he did with all the money isn't known, but it appears he hardly made a killing in the spy business, according to his court papers that ask for a public defender. He listed his sole asset as a 7-year-old Lincoln car.

He was treated grandly by the Soviets in Vienna — staying in their ambassador's personal apartment, Faulkner said. On each visit, Pelton spent about eight hours a day providing written answers to written questions on "practically every area of sensitive information to which he had access through his employment at NSA," Faulkner said.

Last April, Pelton failed to connect with his KGB contact in Vienna. But Pelton told the FBI he knew the information he had already passed over could be used to injure the USA, Faulkner said.

The extent of the injury is not yet known. NSA's damage assessment will probably never become public.

But the magnitude of the case can't be hidden, said Georgetown University intelligence expert Allan Goodman: "Any breach of NSA security ... is a major source of damage to the U.S."

NSA's name was secret for 10 years af-

ter it was set up in 1952, said James Bamford, author of the *Puzzle Palace*. Piercing its thick cloak with a massive Freedom of Information Act demand, he found an agency that dwarfs the CIA:

■ 100,000 employees worldwide, about five times the size of the CIA.

■ \$10 billion to \$12 billion annual budget, vs. the CIA's \$2 billion to \$3 billion.

With satellites and international "antenna farms," it collects about 85 percent of all USA intelligence.

Goodman said this year's espionage arrest record proves the USA has a "vigorous counterintelligence effort." But "This really shows a government that is seriously riddled with security problems."

The lineup so far in the year of the spy

■ Michael Soussoudis, 39, a Ghanaian living in the USA, and Sharon M. Scranage, 29, a CIA clerk, were charged last July with espionage and leaking secrets to the government of Ghana. Scranage Monday was sentenced to five years in prison. And the FBI announced Soussoudis would be traded for 10 Ghanaians "of interest" to the USA.

■ Larry Wu-Tai Chin, 63, retired CIA analyst, charged with passing classified national security documents.

■ Jonathan J. Pollard, 31, civilian employee of the Naval Investigative Service charged with providing secret documents to a foreign government.

■ Anne L. Henderson-Pollard, 25, Pollard's wife, charged with possessing classified documents.

■ John Anthony Walker Jr., 48, retired Navy communications specialist, masterminded a family spy ring that included son Michael Walker, 22, a seaman assigned to the aircraft carrier USS Nimitz, brother Arthur James Walker, 51, and friend Jerry Whitworth. John Anthony and Michael pleaded guilty. Whitworth faces trial.

■ Edward L. Howard, 33, former CIA employee fired from the agency in 1983 charged by the FBI on Sept. 23 with selling U.S. secrets to Soviet KGB officials in Austria, a year ago. Howard fled his home near Sante Fe, N.M., on Sept. 21. He is believed to have left the USA.

■ Richard M. Miller, former FBI agent, faces a second espionage trial after a federal jury deadlocked. He is charged with passing classified documents to his Soviet lover, Svetlana Ogorodnikova, and her husband, Nikolay, pleaded guilty to spying and are in jail.

■ Samuel Loring Morison, 40, former Navy intelligence analyst, set to be sentenced Monday for providing a British military journal photos of a Soviet aircraft carrier under construction.

■ Thomas Patrick Cavanaugh, 40, former Northrop Corp. engineer, got life in prison after confessing that he had tried to sell secret plans for the Stealth bomber to FBI agents posing as Soviet spies.



# Spy Suspect Pelton Admits Selling U.S. Secrets,

## Court Papers Say



Ronald W. Pelton, right, is led from Anne Arundel detention center by FBI agent.

tion began after Yurchenko's August defection.

"After we got the initial leads from Yurchenko, it took a lot of time and detective work with a lot of cooperation from NSA before we were able to zero in" on Pelton, assistant director Baker said.

"It is typical in espionage cases to confront the individual," Baker said, because a successful confrontation allows the FBI counterintelligence officials then to consider whether to bring a case against the suspected spy or to use the leverage gained to turn him into a double agent.

Information from Yurchenko also pointed to Edward L. Howard, a former CIA employee, who was charged with selling secrets to the Soviets but fled the country before he could be arrested.

At home in the Washington area, Pelton was a business entrepreneur who shifted jobs and residences with some frequency. Bennett, his

attorney, said Pelton is estranged from his wife, who lives in Gaithersburg with two of their four children. Pelton told the landlord of his Dupont Circle apartment that he had an interest in a company, Gladhill Tractor Mart, and his rent checks had the company's name inscribed across the top.

But Maurice Gladhill, owner and president of the Frederick, Md., firm, said yesterday he "never saw or heard of" Pelton. He said he has not used the name "Gladhill Tractor Mart" since 1983, when he incorporated the business and received new business identification numbers. At that time, he said, he changed the firm's name to "Gladhill Tractor Mart Inc."

The landlord, who asked not to be identified, said Pelton, who rented a furnished English basement apartment at 1704 19th St. NW, seemed self-assured. The landlord said Pelton talked "with a

great deal of pride" about a health club, of which he was president, called Health and Fitness of Georgetown.

"He talked a lot about being healthy... about how he had shed a great deal of weight. He spoke with a great deal of authority," the landlord said.

Pelton signed a year's lease to rent the one-bedroom apartment for \$760 a month in October, according to the landlord. But he appeared never to really live there, the landlord said.

"I never detected any personal effects," said the landlord, who visited the apartment in early November. "I remember seeing a newspaper and some food, that's all."

Just a few weeks after he had signed the lease, the landlord said, Pelton insisted he had to break it, because he was buying a boat business in Annapolis and the apartment was too far away. Attorney Bennett said Pelton has been living on a houseboat in Annapolis recently.

Pelton also complained that someone had broken into his Lincoln Continental when he had parked it on the street, the landlord said.

Pelton has been drawing a \$600-a-week advance on commissions at Safford Yacht Sales, where he had worked as a salesman for two months, according to defense attorneys, and has no other assets except the 1979 Lincoln valued at \$1,000.

Further details of the case against Pelton are expected to emerge in a bond hearing set for tomorrow. He is currently in federal custody in the Baltimore City Jail.

U.S. intelligence has suffered several losses from its top secret eavesdropping programs, both of them involving spy satellites.

In January 1977 federal authorities discovered that a code room clerk at a top secret defense contractor facility of TRW Inc. in Cal-

ifornia had been selling technical data about the Rhyolite series of spy satellites, which allow NSA to sort through millions of telephone and radio communication signals in the Soviet Union from outer space.

The code room clerk, Christopher J. Boyce, then 22, and his boyhood friend, Andrew Dalton Lee, are currently serving prison terms in that spy case, which was popularized by the book and movie: "The Falcon and the Snowman."

James Bamford, author of "The Puzzle Palace," a history of NSA, said in an interview that while it is too early to tell what kind of secrets Pelton had access to over his 14-year career, there is a strong likelihood that he would be able to tell the Soviets a great deal about NSA eavesdropping activities around the world. Bamford pointed out that all NSA employees have at minimum a top secret-signals security clearance that requires a special background investigation.

"The worst case," Bamford said, "is that he might be able to tell the Russians that we are able to intercept, for instance, the link between Moscow and the submarine bases at Vladivostok" or some other sensitive military link.

Bamford added that someone with top secret-signals intelligence clearance also could compromise which coded military channels NSA can intercept and decipher on a regular basis.

"It sounds like he worked in attacking Soviet communications," Bamford said, adding that the key to understanding the damage he may have done to U.S. intelligence would be in reconstructing all the top secret programs he had worked on for more than a decade.

Staff writers John Mintz and Sharon LaFraniere contributed to this report.

# FBI Says Spy Suspect Admits Selling Data

## Yurchenko's Disclosures Led to Pelton

A former communications specialist who spent 14 years working for the highly secret U.S. National Security Agency has admitted selling what the government described as "extremely sensitive" intelligence information to the Soviet Union during the last five years, according to documents filed yesterday in U.S. District Court in Baltimore.

Ronald William Pelton, 44, who was arrested early yesterday at the Annapolis Hilton Hotel, was identified as a Soviet spy earlier this year based on information from Soviet KGB official Vitaly S. Yurchenko, according to Assistant FBI Director William Baker. Yurchenko asked for political asylum here in August, then abruptly decided to return to the Soviet Union in early November.

Pelton, who was arraigned yesterday, is the 14th person in the country charged with espionage this year, including three last week. Baker said the recent arrests are partially a result of an increased number of FBI agents assigned to counterintelligence duty and a "higher priority" in the FBI and Justice Department to prosecute espionage suspects.

Fred W. Bennett, the public defender who represented convicted spy John Anthony Walker Jr., was appointed by the court as Pelton's lawyer. If convicted of the charges against him, Pelton could face life imprisonment.

Bennett said statements to the FBI should not be characterized as a confession. "There are a number of potential defenses," Bennett said.

He said he hasn't seen transcripts "of any statements [Pelton] allegedly made. We can't tell if they will be admissible as evidence."

Pelton, a sandy-haired man gray-ing slightly at the temples, said little at the brief court hearing.

According to an FBI affidavit presented during the hearing, Pelton admitted he made contact with the Soviets in January 1980, the year after he left the NSA at a salary of \$24,500 in the midst of "serious financial troubles." He subsequently made several trips to Vien-

See PELTON, A12, Col. 1

PELTON, From A1

na, where he stayed at the home of the Soviet ambassador and was debriefed at length by KGB agents, according to the FBI.

Pelton had worked for the NSA from November 1965 until July 1979. The NSA, headquartered at Fort Meade, Md., north of Washington, is the largest and most secret U.S. intelligence agency. It houses the U.S. government's largest and most sophisticated supercomputers designed to crack encoded foreign military and diplomatic messages gathered by tens of thousands of employees worldwide.

In addition to his top secret clearance, Pelton had clearances "for special compartmented information relating to signals intelligence," and was the author of a 1978 classified document "concerning technical information about the Soviet Union," according to the affidavit.

Intelligence sources said yesterday that Pelton's access to sensitive electronic eavesdropping systems and procedures represented a "serious loss" to U.S. intelligence. Sources said it appears Pelton may have told the Soviets details of collection systems, such as spy satellites and electronic listening posts in foreign countries or on spy planes and ships.

The FBI said Pelton approached the Soviets four months after filing for bankruptcy in which he listed debts of \$64,650, including first and second mortgages on a Howard County home he valued at \$31,000, and credit card bills for gasoline, home furnishings and other items.

At the time of bankruptcy, Pelton said he had only \$6.80 in cash and \$8 in a checking account. He listed his other assets as four old cars, a motorcycle, a \$10 watch, a bowling ball, five pairs of shoes and a razor.

The affidavit gave the following

account: Pelton's mission with the Soviets began with a trip to the Soviet Embassy in Washington. At that 1980 meeting, he agreed to sell them information and told them about a U.S. intelligence collection project targeted at the Soviet Union.

In October 1980, and in January 1983, Pelton traveled to Vienna and stayed in the Soviet ambassador's apartment in the Soviet Embassy compound there. He told the FBI he received a call at his Silver Spring home from a contact who arranged for the 1983 trip.

Pelton said that on each occasion in Vienna, he spent three to four days in debriefing sessions with KGB agent Anatoly Slavnov. He spent about eight hours a day with Slavnov, providing written answers to questions submitted in writing by Slavnov. Pelton said he was questioned about nearly every area of sensitive information he had access to at NSA, including the document on the Soviet Union he wrote in 1978.

Pelton admitted receiving cash in exchange for the information, specifically \$15,000, during the 1983 visit. The FBI said bank records show he opened a new bank account in March 1983 and subsequently made two \$5,000 cash deposits. It could not be determined how much Pelton allegedly received in total from the Soviets.

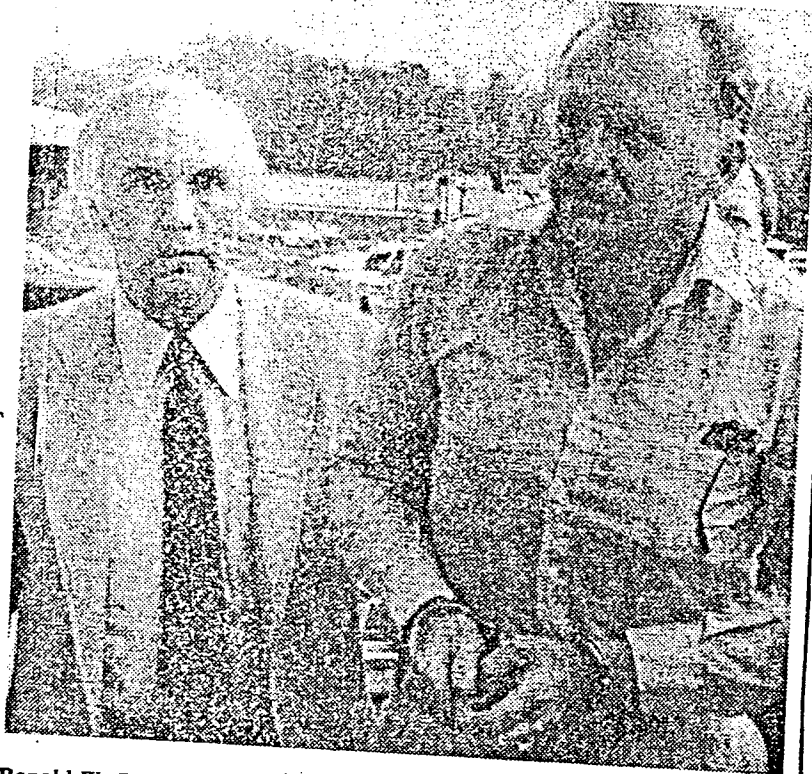
Pelton also told the FBI that he spent three days in Vienna in April of this year but was unable to meet with a Soviet agent then. He said that when he returned, he got another call at home from a Soviet contact who asked that he make another trip to Vienna in October. The affidavit does not state whether that trip ever took place.

A senior FBI official said yesterday that federal agents did not have Pelton's name when the investiga-

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Daily News (New York) \_\_\_\_\_  
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Date NOVEMBER 26, 1985

# U.S. Suspect Held After Confession of Spying



Ronald W. Pelton, right, as Federal agents escorted him yesterday from the Anne Arundel County Detention Center in Annapolis, Md. Associated Press

Mr. Pelton, it added, has admitted that he went to Vienna again in April of this year but was unable to meet with his Soviet contacts. According to the F.B.I., he said that a Soviet agent called his home last July and asked Mr. Pelton to travel to Vienna in October. The affidavit did not say if he made that trip.

The four-page bureau affidavit, signed by a special agent, David E. Faulkner, said that Mr. Pelton provided the Soviet Union with informa-

tion about a 1978 report that he had written "concerning technical information about the Soviet Union of interest to the N.S.A."

According to the F.B.I., the report contains sensitive information "which may potentially damage the U.S." if divulged. Mr. Pelton, the affidavit said, has told the bureau that Mr. Slavnov was "interested in all of the programs outlined in the document." No further information about the report was provided today.

# U.S. SUSPECT HELD AFTER CONFESSION OF SOVIET SPYING

Ex-Communication Specialist  
for Security Agency Tells  
of K.G.B. Questioning

By PHILIP SHENON

Special to The New York Times

WASHINGTON, Nov. 25 — A former communications specialist for the National Security Agency was arrested this morning after admitting that he sold highly confidential information about American intelligence activities to the Soviet Union for more than five years, according to the Government.

Federal officials said that the suspect, Ronald W. Pelton, 44 years old, was one of those identified as spies by Vitaly Yurchenko, the turnabout Soviet defector who fled to the West last summer but returned to Moscow early this month. In Mr. Pelton's case, an official said, evidence was found to support Mr. Yurchenko's allegations.

Mr. Pelton told the Federal Bureau of Investigation in an interview Sunday that he met with a Soviet intelligence officer several times from January 1980 through January 1983, according to a bureau affidavit filed in Federal District Court today. It said that the spying went on until September of this year.

## When Spying Began

The bureau said that Mr. Pelton became a spy after he left the N.S.A. in 1979.

Mr. Pelton's arrest was part of what officials said was an unprecedented but coincidental roundup of people accused as spies operating in the United States. In the last five days, four people, including a retired Central Intelligence analyst accused of espionage for China, have been arrested for spying. [Page B6.]

A senior Reagan Administration official said Mr. Pelton would prove to have done the "most significant" damage to national security. But the official said that intelligence agencies were still assessing the cases.

The F.B.I. affidavit said that Mr. Pelton worked for the National Security Agency from 1965 to 1979 and had top-secret security clearance with special access to signals intelligence.

## Questioned by the K.G.B.

The affidavit said that Mr. Pelton acknowledged that the K.G.B., the Soviet intelligence agency, had questioned him about "practically every area of sensitive information to which he had access through his employment at N.S.A." The agency, the nation's largest and most secretive intelligence operation, is involved in breaking the secret communications codes used by foreign governments.

Because of its secrecy, outsiders have sometimes said N.S.A. stands for No Such Agency or Never Say Anything. The agency will not even disclose the number of people it employs.

Intelligence-gathering is the largest and most important part of its job, offi-

Continued on Page B6, Column 1

## Continued From Page 1

cials said. It monitors communications around the world through electronic listening posts and spy satellites. It also devises secure communications within the Government, as well as security for Government computers.

The court papers said Mr. Pelton had provided Soviet agents with details of "a United States intelligence-collection project targeted at the Soviet Union." There was no further description of the report, although the affidavit stated that disclosure of the report would damage United States security.

Officials indicated that severe financial problems had prompted Mr. Pelton to become a spy. In April 1979, they said, he declared bankruptcy. The F.B.I. said that in January 1980 he entered the Soviet Embassy in Washington and agreed to supply Soviet officials with intelligence information in exchange for money.

He has admitted receiving cash from Soviet agents on several occasions, including a \$15,000 payment for a trip to Vienna in January 1983, the bureau said.

Federal officials said that Mr. Yurchenko has also identified another former American intelligence officer, Edward L. Howard, as a Soviet agent. Mr. Howard, who had worked for the Central Intelligence Agency, fled the United States shortly before he was formally charged as a Soviet spy this fall, the officials said.

## Arrested in Annapolis

Mr. Pelton, who is married and has at least one child, was arrested at 12:10 this morning in a hotel in Annapolis, Md., officials said. At an appearance today in Federal District Court in Baltimore, he was formally charged with espionage and assigned a lawyer.

The lawyer, Fred Warren Bennett, acknowledged to reporters that Mr. Pelton's apparent confession would make the case more difficult to defend. He would say little else, but added, "There are a number of potential defenses."

Mr. Bennett had been the lawyer for John A. Walker Jr., a retired Navy warrant officer who admitted earlier this month that he was a Soviet spy for nearly 20 years.

In today's 10-minute court hearing, Mr. Pelton, who had worked most recently as a yacht salesman, spoke calmly and clearly. "Yes, sir," he answered when asked by Magistrate Daniel E. Klein if he understood the severity of the charges.

Mr. Pelton did not turn to look at his wife, Judith, or teen-age daughter, both of whom appeared shaken as they sat in the courtroom. Magistrate Klein ordered Mr. Pelton held without bail until a hearing Wednesday.

Law-enforcement officials said that Mr. Pelton had traveled to Vienna at least three times to meet with his Soviet contacts.

In trips to Vienna in 1980 and 1983, the F.B.I. said, Mr. Pelton was housed in the home of the Soviet Ambassador to Austria. "On both occasions, he spent approximately eight hours a day in debriefing sessions" with a K.G.B. agent, Anatoly Slavnov, the F.B.I. affidavit said.

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The Christian Science Monitor \_\_\_\_\_

Date 11/26/85

# The Four Suspects in the Spy Cases

By ROBIN TONER

Special to The New York Times

WASHINGTON, Nov. 25 — Over the past five days, the Federal authorities have arrested four people on espionage-related charges. Here is a summary of their cases and their backgrounds:

## Jonathan Jay Pollard

Jonathan Jay Pollard, 31 years old, suspected of spying for Israel while working as a counterintelligence analyst for the Navy.

He was arrested and charged with espionage Thursday after allegedly trying to seek asylum at the Israeli Embassy. He was turned back by embassy officials who were apparently surprised by his arrival and appearance.

hended moments later by the Federal Bureau of Investigation. Prosecutors said that he was confronted by F.B.I. agents earlier in the week with what the authorities described as evidence of espionage and that he was apparently aware he was under surveillance.

Mr. Pollard, the son of a professor of microbiology at the University of Notre Dame, is a graduate of Stanford University, where he studied international relations. He also attended the Fletcher School of Law and Diplomacy at Tufts University.

He was hired by the Naval Operational Intelligence Center in 1979. In the fall of 1983, he was assigned to a newly formed, antiterrorism unit of the Naval Investigative Service.

Mr. Pollard lived with his wife, Anne Henderson-Pollard, in a four-story, brick apartment building in the Dupont Circle area of Washington. Neighbors described him as a quiet and pleasant man who drove an aging Ford Mustang and dressed modestly. One neighbor said he assumed Mr. Pollard was an accountant.

## Anne Henderson-Pollard

Anne Henderson-Pollard, 25 years old, was officially charged in Federal Magistrates' Court today with unauthorized possession of national defense information.

The Government says Mrs. Pollard was told by her husband to remove "certain articles" from their apartment on Nov. 18, while her husband was being questioned by agents of the Federal Bureau of Investigation.

Later that day, the Government alleges, she delivered a suitcase containing classified documents to another person, saying that "something had happened to her husband," and the contents of the suitcase "must be destroyed." That person was not identified by the authorities. The suitcase and its contents were later recovered by the F.B.I.

Mrs. Henderson-Pollard worked for more than three years for the National Rifle Association, primarily as a secretary, said John Aquilino, an official of the association. She left earlier this year, going to work on a freelance, commission basis for CommCore Inc., a New York-based public relations concern. An official with that concern said Mrs. Henderson-Pollard's assignment was to attract new business but that she had yet to receive any commissions.

"She wanted very much to be, I think, like her dad," said Mr. Aquilino.

Her father, Bernie Henderson of Oil City, Pa., said in an interview that he was a former press secretary for the International Brotherhood of Teamsters and currently works in public

relations for the Quaker State Oil Company.

## Larry Wu-Tai Chin

Larry Wu-Tai Chin, 63 years old, is one of a handful of employees of the Central Intelligence Agency ever arrested on espionage charges.

Mr. Chin, retired from the C.I.A. since 1981, was accused Saturday of spying for China for more than 30 years. A resident of Alexandria, Va., Mr. Chin appeared weary and frail as he was formally charged in Federal Magistrate's Court Saturday.

An F.B.I. criminal complaint says Mr. Chin was a civilian employee of the Army in World War II, was employed by the American consulate in Shanghai as an interpreter in 1948 and moved with the consulate to Hong Kong two years later. He was involved in interviewing Chinese prisoners in the Korean War.

In 1952, according to the F.B.I., Mr. Chin went to work for the Foreign Broadcast Information Service, a division of the C.I.A.

The authorities have charged that Mr. Chin, who had been under investigation since December 1983, was "indoctrinated" by a Dr. Wang in the 1940's "on the aims of the Chinese Communist Party."

The Government contends that Mr. Chin, a native of China who became an American citizen, provided a variety of information to the Chinese from 1952 on, including the location of Chinese prisoners of war in Korea. He is accused of receiving more than \$140,000 for the information he provided.

## Ronald William Pelton

Ronald William Pelton, a 44-year-old former communications specialist for the National Security Agency, was arrested early Monday and charged with espionage.

Mr. Pelton, who worked for the agency from 1965 to 1979, is accused of selling information to the Soviet Union. Documents filed today contend that Mr. Pelton provided Soviet agents with details of "a United States intelligence-collection project targeted at the Soviet Union."

The F.B.I. said Mr. Pelton became a spy after he left the agency in 1979. Officials indicated that they believe Mr. Pelton's motivation was financial. The authorities said he had declared bankruptcy in 1979.

While at the agency, Mr. Pelton had a top-secret security clearance with special access to signals intelligence, according to the F.B.I. He worked most recently as a yacht salesman.

At a brief court appearance today, Mr. Pelton answered questions clearly and appeared to be in control, although his wife, Judith, was visibly shaken.

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11/26/85

# Intelligence Experts See No Link Among Arrests

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Nov. 25 — Administration officials say the spate of espionage arrests — four people in five days — is largely coincidence and reflects increased awareness of security problems, not a sudden decision to round up all Americans known to be spying for foreign powers.

Stephen S. Trott, the head of the Justice Department's criminal division, said in an interview that the timing was dictated by circumstances.

"These things just kind of all emerged," he said. "People are just sort of stunned by the number of cases going on and they're looking for more than is there. We move when we're ready to move."

There have been at least 10 people arrested on espionage charges this year, a total that has already exceeded any other year in history, according to Justice Department records.

An intelligence source familiar with the four arrests said "there is no thread that ties them together."

## Change Under Carter

Mr. Trott said that this year's succession of arrests arose from a change in policy by the Carter Administration, which decided to prosecute spy suspects instead of dropping the charges or using suspects as double agents.

Coupled with this, Mr. Trott said, were increased resources for the counterintelligence program at the Federal Bureau of Investigation and the passage of legislation that gave the Justice Department added authority for wiretapping.

According to the Justice Department, the number of wiretapping applications approved by the Foreign Intelligence Surveillance Court has more than doubled, from 319 in 1980 to 635 in 1985. Taps authorized by the court were used against John A. Walker Jr., a retired Navy enlisted man, and similar taps may have played a role in the arrest of Larry Wu-Tai Chin, a retired employee of the Central Intelligence Agency whose telephone conversations are described in an F.B.I. affidavit.

Mr. Trott said another recent law helping prosecutors deal with secret material behind closed doors had also made it easier to bring espionage charges. Previously, prosecutors were vulnerable when criminal defendants sought to avoid a trial by threatening to expose reams of secrets in court.

Intelligence agencies, according to Carter Administration officials, were initially nervous about espionage prosecutions, because they feared the release of secret information and embarrassing episodes.

"Now, you've got an intelligence

community that is very comfortable about what we're doing," Mr. Trott said. "They don't think that more stuff is going to be dragged out in court."

One factor that may have encouraged the F.B.I. to move quickly in the cases was the criticism the bureau received for failing to detain Edward Lee Howard, a former Central Intelligence officer who is believed to have fled the country. According to law enforcement officials, the F.B.I. did not have sufficient evidence to arrest Mr. Howard, who had been interviewed by bureau agents but not charged.

As part of its broad examination of intelligence issues, the Senate Select Committee on Intelligence has said it is looking into why Mr. Howard was able to evade authorities. Law-enforcement officials have said the surveillance on him was "loose" and not intended to hold him. No arrest warrant had been issued when he escaped.

According to court documents, Mr. Chin had been under suspicion since 1983. Ronald W. Pelton, the National Security Agency employee arrested early today, had admitted espionage to F.B.I. agents in an interview on Sunday. Jonathan Jay Pollard and his wife were taken in shortly after Mr. Pollard, under surveillance by the F.B.I., drove onto the grounds of the Israeli Embassy here on Thursday.

## 'I Would Say It's Both'

An Administration official, asked about the large number of espionage arrests, replied: "Is it because we're looking harder or because there are more? I would say it's both."

He noted that the number of Soviet bloc intelligence officers had significantly increased since President Reagan took office. He said it was not surprising that officials in Government agencies had been recruited as spies by the 400 intelligence services that operate worldwide.

"What do you think these guys do every day?" the official said. "Presumably these guys are not sitting watching American television; they're out doing something with somebody. It stands to reason there are more spies than we know about."

The White House today applauded the recent arrests. "This Administration from the outset has set priority on rooting out cases of espionage," Larry Speakes, the White House spokesman, said. "It is our goal to have more appropriations, more people and an aggressive posture to recognize the threat to our national security posed by the activity of hostile intelligence. I think you see it paying off."

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Date 11/26/85

# Prosecutor Discloses U.S. Agency Capability To Intercept, Decode Soviet Communications

By Patrick E. Tyler  
and Bob Woodward  
Washington Post Staff Writers

The U.S. government yesterday took the extraordinary step of discussing in a public courtroom its capability to intercept and decode some Soviet communications—a subject that historically has been considered one of the nation's most sensitive national security secrets.

The disclosure at the opening day of the espionage trial of Ronald W. Pelton surprised intelligence specialists, who noted that U.S. intelligence agencies traditionally have declined to prosecute espionage cases where they feared such intelligence detail would emerge in public.

Federal prosecutor John Douglas in his opening statement talked about the U.S. National Security Agency's ability to "exploit" and

"process" and "analyze" coded Soviet communications that travel by radio, microwave and cable between "terminal points," such as Soviet military or civilian centers.

Pelton's onetime NSA superior, Donald R. Bacon, talked about the special "compartment" at NSA where Soviet specialists work on the intercepted communications of the "highest level" authorities in the Soviet Union. His testimony's detail, coupled with the general description of NSA's capabilities to "exploit" coded Soviet communications, made it clear that the \$35,000 the Soviets allegedly paid Pelton for information may have been one of the best espionage buys of the century.

The Reagan administration's decision to allow such disclosures about codebreaking capabilities was surprising in the wake of concerted efforts by CIA Director William J. Casey, President Reagan and other

## U.S. Reveals Capabilities Of Super-Secret Agency

INTELLIGENCE, From A1

er in private life with a troubled financial history—was allowed increasingly greater levels of access to virtually all intercept programs aimed at the Soviet Union even as his personal life was self-destructing.

One administration official said yesterday that the detailed disclosures about U.S. intelligence systems allegedly sold to the Soviets by Pelton reflects the Reagan administration's determination to get a conviction in the case, which is one of the worst intelligence losses suffered by the United States in recent history.

James Bamford, author of an authoritative book on the NSA, "The Puzzle Palace," said the courtroom disclosures by government officials were unprecedented. "It's the first time we have acknowledged we can break Soviet codes," said Bamford, adding, "It's always been implied . . . [and] it's not going to come as a shock to the Soviet Union, but other countries with high-technology cryptographic devices may have second thoughts" about the security of their communications.

In recent interviews, a number of U.S. intelligence sources have questioned the way that the government handles some of its most vital top-secret information. In order to restrict access, "compartments" are set up around sensitive technologies or operations and a person such as Pelton must be granted access individually to each one. The criteria for admission to what is

called "sensitive compartmented information" is that the person must need information on it to perform his or her job.

Last November, during Pelton's bail hearing, a defense attorney disclosed in open court a codeword, "Ivy Bells," for one of the operations Pelton allegedly compromised. Sources said Ivy Bells was a submarine intelligence collection operation in the Sea of Okhotsk between the Kamchatka Peninsula and the eastern Soviet coastline. Pelton allegedly disclosed the location of the operation when he first met with Soviet officials in January 1980 and pointed it out on a map.

Under the classification system that controls access to programs such as Ivy Bells, NSA employees who are "cleared" into the "compartment" often gained more information than they needed to know for the performance of their tasks.

"You would certainly be surprised and you would probably be disappointed" to find out the broad range of access relatively low-level NSA employees get to some of the most sensitive intelligence operations

targeted at the Soviet Union, a senior intelligence official said.

Ideally, U.S. intelligence employees who work on sensitive national security operations work in tightly controlled "compartments" so if one person betrays or sells what he or she knows, the entire operation or capability is not compromised. At NSA, many technicians and translators do not know how the information or foreign communications intercepts are obtained, the sources said.

But Pelton, according to yesterday's court testimony, apparently was considered an oracle on Soviet communications and had the broadest range of knowledge about what was intercepted, where it came from, how it was encoded by the Soviets and how NSA had successfully "attacked" some of those codes in the past.

One source has said that Pelton probably did not need all this detail, but a senior intelligence official defended the system of access that Pelton allegedly betrayed. The source cited the need for NSA analysts to know everything they can about the origin of their information as a means of improving the analysis.

In addition, those "compartments" that are erected to protect sensitive information frequently break down, sources said. An employee in NSA picks up details about

other operations or capabilities over the course of years of service, especially in Pelton's case, where officials described him as a "troubleshooter" and font of knowledge about Soviet communications.

A related problem, according to some officials, is that sensitive information gets passed up to high levels without regard to protecting sources and methods.

"I didn't know why I had to be told what the [sensitive collection system] looked like, where it came from, how it was developed, where it was placed, [and] how the information was collected," said an official who has served in a senior national security post. "It was often to help keep the program funded, to say to us, 'Hey, look at this neat gimmick.'"

Pelton resigned from his NSA job in July 1979 after declaring bankruptcy. He allegedly first contacted the Soviet embassy in Washington six months later. One senior source said that he was not able to explain why NSA did not step in when a person with such sensitive information was in financial trouble.

"An alarm bell should have gone off," this source said, "but it didn't . . . and once someone retires his clearances are revoked, and without a 'probable cause' to believe he is spying, no action or surveillance can be undertaken."

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# Intercepted Phone Calls In Pelton Espionage Case

The following are transcripts of two telephone calls Ronald W. Pelton allegedly placed to Soviet officials before his visit to the Soviet embassy here on Jan. 15. The government, which was wiretapping an undisclosed location under the authority of the Foreign Intelligence Surveillance Act, has said it "incidentally overheard" Pelton's voice, but was not able to identify the caller as Pelton until last October. The "second person" in the Jan. 15 transcript has been identified by the government as Vitaly S. Yurchenko, the turnabout Soviet defector who helped lead authorities to Pelton last fall. The Pelton jury yesterday heard the wiretap tapes over headphones. The government deleted references that would have identified the location of the wiretap in the transcripts it released.

Telephone call, Jan. 14, 1980, 4:53 p.m.:

First person to answer: Ah, may I know who is calling?

Caller: Ah, I would like not to use my name, if it's all right, for the moment.

First person: Hold on please.—Sir?

Caller: Yes, um.

First person: Hold the line please.

Caller: All right.

Second person: Hello, sir.

Caller: Ah, yes . . . I would.

Second person: Uh, Vladimir Sorokin speaking.

Caller: I'm sorry.

Second person: Vladimir Sorokin speaking. My name is Vladimir.

Caller: Vladimir, yes. Ah, I have, ah, I don't like to talk on the telephone.

Second person: I see.

Caller: Ah, I have something I would like to discuss with you I think that would be very, interesting to you.

Second person: Uh huh, uh huh.

Caller: Is there any way to do so in, in, in, ah confidence or in privacy?

Second person: I see, I understand.

Second person: Uh, huh, so, just a moment, hold on [unidentified] please.

Second person: Sir?

Caller: Yes.

Second person: Maybe you can, ah, name yourself?

Caller: Ah . . . uh, on the telephone it would not be wise.

Second person: I see.

Caller: Uh.

Second person: So, maybe . . .

Caller: . . . I come from, I, I, I am in, with the United States government.

Second person: Uh, huh, United States government . . . maybe you can visit.

Caller: Uh . . . [sigh] okay, wh . . . how would I do that?

Second person: So, do you know the address?

Caller: Yes, I have been there, I have been by it several times in Washington.

Second person: I see, I see, so you prefer, ah, to speak with somebody in, ah, private?

Caller: That's correct.

Second person: Okay.

Caller: Yeah.

Second person: Uh, huh, okay, just a moment, hold on.

Second person: Sir, I know that you have . . . some problems in this particular question, maybe you could visit, it will be the most convenient way to discuss all the questions.

Caller: Ah, okay, any . . . particular time? Is better, is it better?

Second person: [Laughter].

Second person: But the most convenient time, I would, will, approximately in, ah, half an hour, it will be the most.

Caller: Ah, I will be . . . it will take me a . . . possible that long or a little bit longer to drive.

Second person: Uh, huh. Maybe tomorrow morning?

Caller: Ah, I will come tomorrow evening.

Second person: Tomorrow evening.

Caller: . . . so that it will be dark when I come in . . .

Second person: Okay, okay.

Caller: . . . As well? Can I give you a name.

Second person: Uh huh.

Caller: Or (er) can you give me a name to call for? Vladimir?

Second person: So. It doesn't matter whom I want you to speak. So, anybody will help you. So, ah, ah visit.

Caller: Thank you.

Second person: And that's all. Okay?

Caller: I understand, thank you.

Second person: Okay.

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## 'I Have Some Information To Discuss With You'

Telephone call, Jan. 15, 1980, 2:32 p.m.:

Caller: I have something to discuss . . . some information to discuss . . .

Caller: Would it be safe for me to come at this time?

First person to answer: Yes, certainly. One second, one second, could you hold on one second?

Caller: I have some information to discuss with you and to give to you.

Second person: What, what, what? . . .

Caller: I, ah, I think it would be better not to discuss it on the phone.

Second person: But you can

visit—do you know our address?

Caller: I can be there in two minutes.

Second person: Okay.

Caller: Is it okay to come now?

Second person: Yeah.

Caller: Nobody is there?

Caller: Okay, um, how . . . do I just ring the bell and someone lets me in—how do I get in?

Second person: No, no, you'll enter through the gate directly.

Caller: And, okay, they'll let me in? . . .

Second person: Of course, no question.

Caller: I'll be there in two minutes. Thank you.

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# The Washington Post

**FINAL**
*Detailed index on Page A2*

WEDNESDAY, MAY 28, 1986

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 Metropolitan Washington (See Box on A4)

25¢



**RONALD W. PELTON**  
 ... espionage trial gets under way

senior officials to stop The Washington Post and other news organizations from publishing a description of the principal communications intercept system Pelton is alleged to have sold to the Soviets.

The testimony also raised questions about how Pelton—a brilliant analyst in NSA but a “wheeler dealer”

See INTELLIGENCE, A17, Col. 1

## Pelton Called Knowledgeable On U.S. Intelligence Secrets

*Alleged Meetings With Soviets Are Detailed as Spy Trial Begins*

By Susan Schmidt  
 Washington Post Staff Writer

BALTIMORE, May 27—Ronald W. Pelton, a former National Security Agency employee who went on trial here today on espionage charges, was described by prosecutors as a compendium of information about secret communications intelligence from the Soviet Union, including a previously undisclosed U.S. capability to intercept “command and control” communications from “the highest level in the Soviet Union.”

A prosecutor outlining the case against Pelton said one program he betrayed involved an “upgraded capability” to collect and process intercepted Soviet messages. A senior NSA official testified today that this system—not yet operational

when Pelton left the agency in 1979—is now an “ongoing operation” that is planned for use into the 1990s.

Even Pelton’s court-appointed attorney seemed surprised by this revelation from the NSA official on the witness stand, and noted that Pelton himself could not have told the Soviets that the advanced processing system had been deployed.

Pelton, described as a former middle-management staff officer in NSA’s Soviet communications unit, wrote what the prosecution termed a 60-page “encyclopedia” on Soviet communications intelligence in 1978, and subsequently sold the information in it to the Soviet Union, according to the government case presented today. That document, called the Signal Parameters File, told the Soviets which of

their communications signals were being given top priority by the United States, and how quickly they were being analyzed, according to prosecutor John Douglass.

Douglass outlined five top secret NSA projects, in addition to the Signal Parameters File, that the government contends Pelton gave to the Soviets. One of them, referred to in court today only as “Project E,” concerned a particular Soviet signal that carried “command and control information from the highest level in the Soviet Union to the next highest level,” according to Donald R. Bacon, Pelton’s former supervisor at NSA.

Another project Pelton allegedly told the Soviets about, “Project B,” concerned “the upgrading of the actual equipment that collects So-

See PELTON, A18, Col. 1

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# Pelton Called Knowledgeable on U.S. Secrets

PELTON, From A1

viet signals . . . and involved equipment to be used years and years into the future," Douglass said.

That project, according to Bacon, "is ongoing" even now. It was planned, he said, by an NSA committee that included Pelton and was launched sometime after his departure from the agency in 1979.

Bacon and Douglass said that Pelton's knowledge of the project included details on how quickly Soviet signals information could be forwarded to NSA and how it would be processed.

Douglass told the jury that the highly secret NSA is in the business of collecting and intercepting radio, microwave and cable communications links that contain military information, including movements of troops and ships, and the development and uses of weapons systems. Some of that information, he said, is "in plain text, some in cipher or code, some in weapons data."

"Our ability to know what's going on in a foreign military organization," Douglass said, "is one of the most significant means this nation has to protect itself." If the Soviet Union knows which of its signals the United States is able to intercept and decode, he said, it can change its communications methods to prevent the United States from further eavesdropping and intelligence gathering activities.

Douglass said the actual code names of the projects Pelton allegedly sold to the Soviets will not be mentioned at trial, nor will specific details about the projects, including the time and place of collection of information.

He said the government has an interest in continuing to keep that information secret because other "unfriendly" nations besides the Soviet Union "have a very keen interest in the same kind of information."

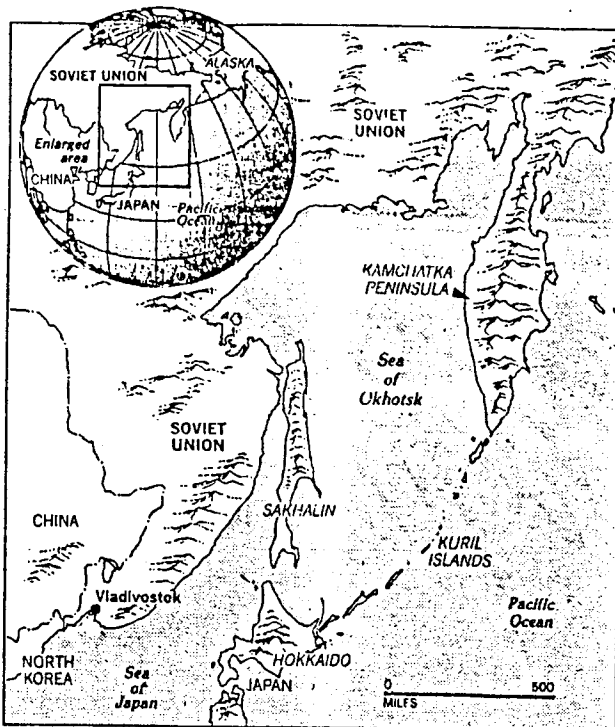
Douglass said Pelton began his alleged relationship with Soviet agents by going to the Soviet Embassy in Washington on Jan. 15, 1980, after contacting Soviet officials by telephone the day before. Edited transcripts of two phone calls Pelton allegedly had with Soviet officials on Jan. 14 and 15, 1980, were released today. They were obtained through wiretaps.

At the embassy, Douglass said, Pelton told the Soviets of the location of "Project A," later described by government witness Hubert Atwater as "a set of equipment set up to collect signals off a particular Soviet communications link."

Pelton "took a map and took his finger and showed the Soviets where it was," Douglass said.

He said the Soviets, while not able to identify the precise location of the equipment, were able to figure out what "communications link" it was drawing information from.

The place that Pelton pointed to



Pelton used a map to show the Soviets that the United States was gathering information in the Sea of Okhotsk, informed sources said.



Recordings of phone calls Pelton allegedly made to Soviets were played in court.

on the map, according to informed sources, was the Sea of Okhotsk between the Kamchatka Peninsula and the eastern Soviet coastline.

Atwater, a senior signals conversion officer at NSA, testified that he worked directly with Pelton during the mid-1970s.

He said that Project A, like the other projects Pelton is alleged to have divulged to the Soviets, was classified top secret; and was accessible to people cleared for that level of information only on a "need to know" basis.

Projects C and D, which prosecutors also allege Pelton told the Soviets about, involve the locations of two special collection projects, according to the government.

Pelton, who earned \$24,500 annually while at NSA, is not accused of delivering any classified materials to the Soviets. But Douglass and Pelton's two former NSA col-

leagues described him as a highly intelligent man with an extraordinary ability to recall technical information.

"He could retain information for many years," said Bacon, and for that reason was often consulted by his superiors when they needed to know the history of various NSA activities.

When Pelton left NSA in 1979, Douglass told the jury, "he didn't go home with stacks of classified documents—what he had was in his head." Pelton is accused of allowing the Soviets to "pick his brain" during lengthy debriefing sessions.

Pelton is accused of participating in two such sessions at the Soviet Embassy compound in Vienna, sessions that lasted three to four days each in which he provided written answers to written questions.

Pelton, who joined NSA in 1965, worked in a "hands on" capacity in

the collection of communications intelligence until 1973, Douglass said.

From then until 1979 he moved up from a "line" job to a "staff organization" job, which gave him access to "a tremendously broad range of information" about Soviet communications intelligence.

When he left the agency shortly after declaring bankruptcy in 1979, Douglass said, he was a prime candidate for selling out to a foreign power: "He was in a desperate financial situation and he had a gold mine of information."

Pelton's court appointed lawyer, Fred Warren Bennett, said in his opening statements to the jury that he believes the case should hinge not simply on what Pelton did or did not tell the Soviets, but on how the government obtained statements on Nov. 24 that resulted in his arrest that night on espionage charges.

"This case is also about civil rights and civil liberties, about law enforcement interviewing techniques," said Bennett. He said he intends to show that the jury should refuse to consider statements Pelton made to two FBI agents as evidence because the statements were not freely given.

The agents, Bennett said, made implied threats to Pelton, failed to advise him of his rights, and made false promises in order to get information from him.

"Without his statements," said Bennett, "the evidence will be insufficient to convict and the government's case will crumble like a house of cards."

Douglass said that after meeting with the Soviets at their embassy in 1980, Pelton kept in contact with them through prearranged clandestine phone calls he received on a wall phone at the Pizza Castle in Falls Church.

Prior to his trip to Austria in late 1980, Douglass said, Pelton got a call from a Soviet agent on the Pizza Castle phone and was told to go to a phone booth at another location. There he allegedly found \$2,000 in expense money hidden in a magnetic container.

He then flew to Vienna as instructed, and strolled around a public garden in the city, where he was approached by Soviet agents and escorted to the embassy compound. He received \$20,000 for information provided during that trip, Douglass said, and \$15,000 for a trip with a nearly identical scenario in 1983.

Pelton made a third trip in April 1985, but never connected with Soviet agents, according to Douglass, because he had lost about 75 pounds and they did not recognize him.

Pelton had planned to make another trip in October 1985, Douglass said, but ran out of gas on his way to the Pizza Castle from Annapolis and missed the phone call from Soviet agents.

# Casey Asks Justice Dept. to Prosecute NBC News

## CIA Chief Cites Report That Pelton Betrayed U.S. Subs' Eavesdropping in Soviet Harbors

By Eleanor Randolph  
Washington Post Staff Writer

CIA Director William J. Casey asked the Justice Department to consider prosecuting NBC News for violation of a 1950 law against disclosures of "communications intelligence" after the network broadcast a report yesterday on the trial of accused spy Ronald W. Pelton.

The report from correspondent James Polk, which appeared during the 7 a.m. news segment of the "Today" show, reportedly seen by about 9 million people, said in part

that "Pelton apparently gave away one of the NSA's [National Security Agency's] most sensitive secrets—a project with the code name Ivy Bells—believed to be a top-secret eavesdropping program by American submarines inside Soviet harbors."

Casey's statement, which was read to executives at other networks by Central Intelligence Agency officials, said, "We believe that the assertions, if true, made by James Polk on the EBC 'Today' show this morning violate the prohibitions in 18 USC [U.S. Code]

798 against publishing any classified information concerning the communications intelligence activities of the United States. My statutory obligation to protect intelligence sources and methods requires me to refer this matter to the Department of Justice."

Justice Department spokesman John K. Russell had no comment.

Several network executives said last night that by referring the case for possible prosecution Casey gave the report much broader circulation than it received in the brief show segment.

On the "NBC Nightly News" last night, anchorman Tom Brokaw reported that Casey had sent the matter to the Justice Department. Brokaw did not repeat the words used by Polk, saying only that "the report said [Pelton] gave the Soviets information about electronic eavesdropping done by U.S. submarines." Brokaw added that NBC was referring the matter to its legal counsel.

ABC and CNN reported Casey's referral and paraphrased the Polk report. CBS did not report on the

See CASEY, A27, Col. 1

## Casey Asks Prosecution Of NBC News

CASEY, From A1

matter. "CBS Evening News" Executive Producer Tom Bertag said the story would confuse viewers unless it were explained in depth. "If we want to report this, we've got to do it in a much broader context," he said.

Casey's move against NBC comes after a series of threats by him and other administration officials to take legal action against both "leakers" and news organizations that publish classified information.

On May 2, Casey threatened editors of The Washington Post with prosecution under the same statute he cited in relation to Polk's report yesterday if The Post published a story it had prepared on Pelton's case. The Post is still weighing Casey's objections to that story.

In recent weeks, the administration has fired mid-level officials from the Pentagon and State Department for allegedly leaking classified information.

The law mentioned by Casey has been on the statute books since 1950 but no news organization has been prosecuted under it.

NBC executives declined to comment beyond Brokaw's statement on the "NBC Nightly News."

An executive at one network suggested that NBC could defend itself by citing other instances when the news media published descriptions of electronic eavesdropping involving U.S. submarines.

In Baltimore yesterday, jury selection began in Pelton's espionage



WILLIAM J. CASEY  
... refers to 1950 disclosure law

trial. Staff writer Susan Schmidt reported that the choice of a jury is expected to take several days as Pelton's court-appointed lawyers seek jurors who have not been prejudiced by pretrial publicity in the case.

Fred Warren Bennett, the lead defense attorney, who also defended admitted Soviet spy John Anthony Walker Jr., has said part of his defense in the Pelton trial will center on the what he contends were direct and implied promises by FBI agents that Pelton would not be prosecuted if he cooperated with them.

After a two-day hearing earlier this month, Judge Herbert Murray ruled that Pelton's statements to the agents were made voluntarily and could be admitted as evidence at trial.

Both sides have agreed not to introduce any classified information during the trial, and to keep all documents relating to the case under lock and key in the Baltimore courthouse.

Washington Post  
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# A case of cloak and slapstick

As a spy, Ronald Pelton was about as slick as the Three Stooges.

He was broke, he was pouring vodka and orange juice into himself every day and injecting himself with an opiate painkiller a couple of times a week. He was having marital problems and trying to pay the bills for a girlfriend, and he couldn't hold a job.

More than that, he was making phone calls to the Soviet Embassy in Washington, which were intercepted by U.S. authorities, and he even walked right in the front door of that embassy, which is hardly an inconspicuous act.

And still it took the FBI and assorted other U.S. agencies involved in intelligence and counter-intelligence more than five years to nab the man accused of selling virtually priceless information to the Soviet Union for a piddling \$35,000.

That has to be, for Americans, one of the most troubling aspects of the Pelton trial which was concluded with his conviction last week in Baltimore, and yet it somehow appears to have won scant attention.

For weeks now CIA Director William Casey, Lt. Gen. William Odom, head of the supersecret National Security Agency, which employed Mr. Pelton for 14 years, and other officials have been issuing threats and warnings to the news media about the obligation to safeguard the national security in reporting about the Pelton trial and the specifics of the information he sold to the Soviets. The media, for its part, have consequently become greatly exercised about possible infringement of their 1st Amendment rights.

But wouldn't it be in order for someone—Mr. Casey, Gen. Odom, FBI Chief William Webster,

even President Reagan—to exhibit at least some mild interest in how someone as obvious and bumbling as Mr. Pelton could escape defection for more than five years by the counter-espionage operations the American public pays for?

Here is a character so hopelessly inept that he missed a debriefing trip the Soviets wanted him to make to Vienna because he ran out of gas on the way to a suburban pizzeria, where he regularly used the pay phone for his dealings with the Soviets, and missed their call.

He filed for bankruptcy even before resigning his \$24,500 job at NSA and was, as the prosecutor in Baltimore pointed out, a man in a "desperate financial situation" but possessed of a "gold mine of information" valuable to the Soviets.

And yet no one tumbled to him until Vitaly Yurchenko, the celebrated high-ranking KGB operative, defected last year and tipped off American authorities about Mr. Pelton's spying. Mr. Yurchenko, of course, subsequently excused himself at dinner with his CIA guard and rede-fected to Moscow—which also says quite a bit about the efficacy of U.S. counter-intelligence operations.

Mr. Pelton has now been caught and convicted. Presumably, the damage he did to national security is being repaired. And the 1st Amendment appears so far to have survived.

Might it now be time for someone to give some attention to the doubts he has created about the country's counter-intelligence operations? Not every spy can be counted on to be a Larry, Moe or Curly.

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## Editorial

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## Weather

Today: Sunny. High 70-75. Low in the 50s. Wind NE 10-20 mph.  
Wednesday: Mostly sunny. High near 80. Wind NE 10 mph.  
Yesterday: AQI 50. Temperature range 69-84. Details on Page B2.

# The Washington Post

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TUESDAY, JUNE 3, 1986

## Pelton Admits Telling Soviets of One Project Of Data Interception

By Patrick E. Tyler  
and Susan Schmidt  
Washington Post Staff Writers

BALTIMORE, June 2—Accused spy Ronald W. Pelton admitted at his espionage trial today that he told Soviet agents about a secret U.S. operation to intercept Soviet communications, but he minimized the damage caused by this disclosure and denied telling the Soviets about three other secret U.S. intelligence projects he is charged with compromising.

Pelton, who was on the stand for four hours today and will return Tuesday, admitted that he made incriminating statements to FBI agents in November about his alleged espionage contacts with the Soviets. But he denied giving them any information about U.S. code-breaking capabilities. Pelton, a former National Security Agency employee, also said he did not comply with Soviet demands for information about U.S. spy satellites and NSA projects to monitor communications at Soviet embassies around the world.

Responding to questions from his court-appointed attorney, Fred Warren Bennett, Pelton testified that the most sensitive classified information he admitted disclosing to the Soviets related to an intelligence-gathering operation that is being referred to in court as Project A.

Project A has been described by government witnesses as an NSA program to intercept Soviet communications using a specific kind of equipment. Sources have told The Washington Post that the interception operation involved U.S. submarines in the Sea of Okhotsk, between the Kamchatka Peninsula and the eastern Soviet mainland.

Pelton testified that he told FBI agents that he believed that the Soviets had already known about Project A because of an incident that occurred a few years before he left the agency in 1979. He testified today that he discussed this episode in detail with FBI agents during an interrogation session shortly before he was arrested in November.

The incident that Pelton was referring to appears to be what one knowledgeable source described as a collision between a U.S. submarine and a Soviet submarine in the Sea of Okhotsk. The Soviet submarine surfaced and radioed for help, while the American submarine slipped away, one knowledgeable source said.

The collision, like many classified  
See PELTON, A8, Col. 1

# Pelton Denies Telling Soviets of 3 Projects

PELTON, From A1

details in the Pelton case, has not been referred to in open court.

In recounting how he described the incident to FBI agents, Pelton said, "I felt the Soviets were aware of Project A but couldn't do anything about it."

During his last five years at NSA, according to earlier testimony by government witnesses, Pelton was involved in the development of Project A.

Today he said he told FBI agents that the only "precise information" about the project that he had related to its "recording system." Pelton said it was his job "to make sure the recording system was compatible with the signals for which my office had responsibility."

Pelton, who worked for NSA for 14 years, said that he was not familiar with the Soviet communications intercepted by Project A, but rather that he worked on technical problems with the equipment.

In testimony about his interview with FBI agents, Pelton said he pointed out the location of Project A on a map, which has been introduced as evidence under a court seal.

An NSA official testified Friday that the location Pelton circled for the agents—in response to their request to point out the location he had disclosed to the Soviets—was several hundred miles off the mark.

In fact, the location Pelton marked on the map for the agents was about 1,000 miles off, according to one informed source.

Nevertheless, other knowledgeable sources have said Pelton's information led the Soviets to discover the interception operation and to seize equipment developed by NSA for the project.

The government's chief witness on the potential harm caused by Pelton's alleged espionage, William P. Crowell Jr., chief of NSA's signals intelligence operations directed at the Soviet Union, gave jurors no specific information on direct damage in the Pelton case.

But Crowell said the kind of information Pelton allegedly disclosed was extremely harmful to national security and allowed the Soviets to capitalize on NSA weaknesses and to understand U.S. intelligence-gathering priorities.

Pelton, 44, was pale and his shoulders were slightly stooped as he took the witness stand this morning to defend himself for the first time against charges that he sold U.S. intelligence secrets to the Soviets in return for \$35,000. However, as he began to answer questions he appeared composed and in command of his testimony, which focused on the events surrounding his interview by FBI agents at the Annapolis Hilton. For much of the day he was questioned by Bennett, who sought to show that Pelton, led on by FBI agents, believed that he was being recruited for counterintelligence work.

Judge Herbert F. Murray ruled in a pretrial hearing that Pelton's confession was voluntary and could be admitted at the trial. Bennett is arguing the issue again before the jury, which has been sequestered and does not know of Murray's earlier ruling. Bennett also appears to be preparing for a possible appeal, arguing today that Pelton's testimony in this trial should not be admissible as evidence in any future proceeding.

Bennett scored a minor victory today when Murray acquitted Pelton on one of the six counts in the indictment. Pelton was charged with delivering national security information during his first alleged visit to the Soviet Embassy in Washington in 1980. Murray ruled that the prosecutors had failed to show that the alleged crime was initiated in Maryland and that the U.S. District Court in Baltimore had jurisdiction.

Pelton, who until 1979 was a middle-management NSA analyst with broad access to U.S. intelligence on Soviet communications signals, wrote what the government has termed "an encyclopedia" of Soviet signals while at NSA. The FBI's assertions that he admitted disclosing information in that document, the Signal Parameters File, are inaccurate, Pelton testified today.

When asked by FBI agents which of the signals contained in the file the Soviets were most interested in, Pelton testified, he "declined to discuss it whatsoever. I replied that it would be obvious that the Soviets would be interested in everything in that document."



Ronald W. Pelton is questioned in court yesterday by his lawyer Fred Bennett.

Project B, which government witnesses have testified is an equipment upgrading program to speed the relaying and analysis of intercepted communications, was hardly worth mentioning to the Soviets, Pelton said. "Why would the Soviets be interested in [that]?" Pelton testified that he had asked the FBI agents. He said the project was "nothing more" than the replacement of old NSA radio signal receivers and "demodulators" and an upgrading of the "data link" that would bring those signals back for analysis.

FBI agent David Faulkner, who had interrogated Pelton, testified last week that Pelton described Project B during questioning as an important guide to the Soviets in understanding NSA's operations and long-term capabilities for rapid processing of a large volume of intercepted signals.

Projects C and D were described in earlier testimony by NSA officials as involving secret locations where NSA intercepts Soviet communications.

Pelton testified today that he had, in fact, told FBI agents that he knew these secret locations. However, he testified, during his lengthy debriefing sessions at the Soviet Embassy compound in Vienna, Austria, the KGB officer in charge never questioned him about those projects.

Pelton also has been accused of telling the Soviets about Project E, which has been described in testimony by an NSA official as involving a Soviet signal that carried "command and control" information from the highest level in the Soviet Union. Pelton said that he told FBI agents that the Soviets no doubt would be interested in Project E but that he never told them anything about it and they never asked.

FBI agents, according to Pelton's testimony, pressed him on what in-

formation he gave the Soviets on NSA's capability to penetrate Soviet ciphers or codes. "I told them [the Soviets] I knew nothing about any codes except Morse code," Pelton said, adding with a smile that the Soviets didn't seem to know what Morse code was.

Pelton testified that it was clear that the Soviets put a high priority on learning about U.S. eavesdropping targeted at Soviet embassies and U.S. overhead collection systems, such as spy satellites, but he said that he told them that he could not help them.

"I told them that I had virtually no information involving the first priority and [that] about all I knew about the overhead program was the fact that it existed," Pelton testified.

During his testimony, Pelton denied making a potentially damaging statement that has been attributed to him by FBI agents in affidavits supporting the indictment in the case. According to the FBI version, Pelton said at the end of his interrogation that the Soviets "got more out of me than I wanted to give up."

Today, Pelton asserted that he had never made such a statement but that he had told the FBI agents shortly before they put him under arrest, "You've done a pretty good job because you've gotten me to say more than I should have."

Under cross-examination that got under way late today, Assistant U.S. Attorney John G. Douglass challenged Pelton's assertion that FBI agents in effect tricked him into a confession. Douglass pointed out that Pelton had used terms such as "bargaining chip," "bluff" and "probe" to describe how he tried to negotiate a deal with FBI agents to avoid prosecution.

Douglass pointed out that Pelton made some damaging admissions after he had read and signed a waiver-of-rights form.



# Weather

Today: Mostly sunny. High 87-89.  
Low 60-66. Winds west 5-10 mph.  
Friday: Mostly sunny. High in the  
upper 80s. Winds west 10-15 mph.  
Yesterday: AQI 60. Temperature  
range 62-84. Details on Page C2.

# The Washington Post

109TH YEAR • • • • • No. 175

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THURSDAY, MAY 29, 1986

## FBI Says Pelton Reported Soviet Interest in Satellites

Reporters 'Cautioned'  
On Trial Coverage

By George Lardner Jr.  
and Eleanor Randolph  
Washington Post Staff Writers

The directors of the Central Intelligence Agency and the National Security Agency last night formally "cautioned" reporters covering the espionage trial of Ronald W. Pelton "against speculation and reporting details beyond the information actually released at trial."

The unusual statement from William J. Casey of the CIA and Lt. Gen. William E. Odom of NSA (some of whose secrets Pelton, a former employee, allegedly sold to the Soviets), said "such speculations and additional facts are not authorized disclosures and may cause substantial harm to the national security."

The statement, released to reporters, follows warnings from Odom and Casey that the government would consider prosecuting news organizations under a 1950 law prohibiting disclosure of classified information about communications intelligence. Pelton was a communications intelligence expert in the NSA, and the secrets he is charged with betraying involved communications intelligence.

In last night's statement, Odom and Casey also acknowledged that the government's case against Pelton "will include release of certain classified information involving communications intelligence activities of the United States." They added that "the decision to make use of this information in trial has been made by appropriate government authorities after careful con-

See COVERAGE, A14, Col. 1

A14 THURSDAY, MAY 29, 1986

THE WASH

## CIA, NSA Chiefs 'Caution' Reporters On Coverage of Pelton Espionage Trial

COVERAGE, From A1

sideration of the demands of trial and the potential harm that release of this selected data may cause the national security."

The fact that government officials had publicly instructed the news media how to cover the Pelton trial provoked comment last night from editors and civil libertarians.

Benjamin C. Bradlee, executive editor of The Washington Post, said that "after listening to the highest councils of government for a number of months, we have acted responsibly in balancing the national security and the national interest."

"We will continue to do so," Bradlee said, "but how the press covers this trial is a matter for the press to decide, not the government."

The Post recently published an article on the Pelton case after deciding to delete about 150 words after hearing senior government officials' concerns about the article over a period of months.

Los Angeles Times editor William F. Thomas said: "I must say it's the strangest statement I've ever come across in connection with a trial. As always, we simply are going to be bound by the best course for us to follow. This may or may not involve restricting the use of information we come across," Thomas said.

The chief legislative counsel for the American Civil Liberties Union, Jerry J. Berman, assailed the Casey-Odom statement as an improper intrusion on press coverage of the trial.

"It is a statement clearly intended to chill freedom of the press," Berman said. "What Mr. Casey is saying is that the press should not report additional details or speculate on what the government itself has chosen to disclose. In doing so, Mr. Casey compounds his assault on civil liberties. His warning, obviously intended to chill a free press, also threatens Mr. Pelton's right to a fair and open trial, fully reported. Such reporting cannot possibly be covered by the espionage laws of the United States and is clearly protected by the First Amendment."

A White House spokesman had no comment on the joint statement, but a White House official said he knew "of no specific sign-off request by Casey for this statement."

### Statement on the Pelton Spy Case Issued by Directors of CIA and NSA

Text of the statement issued yesterday by CIA Director William J. Casey and Lt. Gen. William E. Odom, director of the National Security Agency:

The government began prosecution of Ronald W. Pelton on charges of espionage yesterday, May 27, 1986. The trial of Mr. Pelton is expected to continue for approximately eight days' time and to include testimony from several government officials.

Presentation of the government's case will include release of certain classified information involving communications intelligence activities of the United States. While not intending any comment on this ongoing criminal prosecution, it should be understood that the decision to make use of this information in trial has been made by appropriate government authorities after careful consideration of the demands of trial and the potential harm that release of this selected data may cause the national security. The information thus selected has been carefully chosen to balance these competing interests.

Those reporting on the trial should be cautioned against speculation and reporting details beyond the information actually released at trial. Such speculations and additional facts are not authorized disclosures and may cause substantial harm to the national security.

It was issued following the opening of the trial Tuesday and subsequent publication of news reports

**"What Mr. Casey is saying is that the press should not report additional details or speculate on what the government itself has chosen to disclose."**

—Jerry J. Berman of ACLU

and broadcasts containing details and background that evidently displeased Casey and Odom.

Sources said yesterday that in deliberations leading up to Pelton's arrest and indictment, Casey had been among the officials who argued against putting him on trial for fear that sensitive secrets would

come out in court. Official sources had said earlier that there was a battle between those who favored prosecuting Pelton and those who wanted to avoid a trial and the attendant publicity.

Disclosures made in testimony by an NSA official on the first day of the Pelton trial caused "lots of heartburn" and "raised lots of eyebrows" among senior military officers yesterday, informed sources reported. However, these sources said, those military and intelligence officials who had been involved in preparing the case knew what to expect in the way of disclosures, and were not alarmed, the sources added.

Justice Department officials acknowledged that the disclosures in the trial were unprecedented, but said they had carefully considered the legal ramifications before deciding to make some of the most sensitive evidence public. The script for the prosecution was drawn up in the Criminal Division's internal security section in consultation with intelligence officials, a Justice Department source said.

Staff writers Rich Atkinson and Howard Kurtz contributed to this report.

# Aides Said to Have Debated Prosecuting Reporters

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, May 20 — In the past 25 years, Government officials have discussed numerous times whether to prosecute news organizations for disclosing highly sensitive material, according to former officials. But they have always been dissuaded by various political pressures or by fears that a court case would confirm the accuracy of a report and bring to light even more damaging information, the officials say.

With his remarks in recent weeks, William J. Casey, the Director of Central Intelligence, has begun publicly pushing for a new, more confrontational approach to the publication of classified Government information.

Mr. Casey has cited the mounting attacks against Americans by terrorists as a justification for bringing prosecutions under a 1950 law that bars publication of classified communications intelligence. No news organization has ever been prosecuted under this statute.

On Monday, Mr. Casey announced that he had asked the Justice Department to consider prosecuting the National Broadcasting Company for its report on a secret intelligence gathering operation by the National Security Agency. The report on the "Today" show Monday described "Ivy Bells," a program the Government contends was compromised by Ronald W. Pelton, a former employee of the National Security Agency who is now on trial on espionage charges. The network said the effort involved eavesdropping by American submarines in Soviet harbors.

## 'All Done Very Quietly'

Howard Simons, the curator of the Nieman Foundation for journalists at Harvard, said that newspapers' decisions about whether to publish national security articles were generally made after private consultations with Government officials. Mr. Simons was managing editor of The Washington Post from 1971 to 1984.

"It was all done very quietly," said

Mr. Simons. "They would call you over to the C.I.A. or the White House. They wouldn't ask you not to publish. They would outline what damage would be caused by a story. Then you went back and made your own decision."

There have been a number of incidents in which publications have published information viewed as highly sensitive by the Government. These included reports in the 1970's of an effort by the United States to raise a sunken Soviet submarine from the ocean floor as well as disclosures about a host of intelligence gathering activities.

In 1975, for instance, The New York Times printed an article about "Holystone," a program in which American submarines eavesdropped on the Soviet Union.

The Times article described several mishaps that occurred when the submarines collided with Soviet vessels and it detailed some of the intelligence successes in the program. These included tapping into undersea cables through which the Soviet Union was sending military communications.

## 'Different Climate'

Former Government officials said that there was serious consideration given to prosecuting Seymour M. Hersh, a reporter for The Times, but they said the idea was eventually dropped.

"It was an altogether different climate at the time in which the idea of prosecuting a reporter was just impossible," recalled James R. Schlesinger, who served as the Director of Central Intelligence from 1973 to 1975 and was later Secretary of Defense. "You had the C.I.A.'s alleged involvement in Watergate. The C.I.A.'s reputation on Capitol Hill was mixed and the people in the White House just didn't want to get President Ford involved in prosecution of a reporter."

In 1971, the Nixon Administration sought to prevent The New York Times and The Washington Post from publishing excerpts from secret documents on the origins of United States involvement in the Vietnam War. The Supreme Court ruled 6 to 3 that the Gov-

ernment had failed to meet its "heavy burden" needed to justify prior restraint.

Under President Carter, the Justice Department was successful in winning prior restraint of an article prepared for The Progressive magazine that gave technical details on how a hydrogen bomb operates. Prosecutors secured a temporary restraining order barring publication under the Atomic Energy Act but the United States Court of Appeals for the Seventh Circuit lifted it six months later, shortly after a local newspaper in Wisconsin published a letter to the editor that contained much of the disputed information.

Philip Heymann, the head of the Justice Department's criminal division under President Carter, said he recalls no instance in which officials suggested prosecution of a news organization. He said there were a number of recommendations for investigating and prosecuting Government officials who disclosed sensitive information. These failed because even the most tightly held data were distributed to dozens and often hundreds of people, he said.

"The only way to get at the leakers was to prosecute the press," Mr. Heymann said, "and we made it pretty clear we would not do that."

Mr. Casey has also warned The Washington Post that it would be prosecuted if it published its report on the National Security Agency project called "Ivy Bells."

A Government official said today that President Reagan had called The Post to request that the article not be published.

Benjamin C. Bradlee, the executive editor of The Post, said he had not spoken with the President. When asked if Mr. Reagan had spoken with Katharine Graham, the chairman of the board of The Washington Post Company, he said: "I'm not going to talk about what the President did or didn't do."

Mr. Bradlee refused to say whether a decision had been made on printing the article, but he said the matter would be resolved shortly.

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The Christian Science Monitor \_\_\_\_\_

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WASHINGTON, May 19 — The Director of Central Intelligence said today that he had asked the Justice Department to consider prosecuting the National Broadcasting Company on a charge of broadcasting a report containing classified information.

William J. Casey, the Director, said tonight that the report on this morning's "Today" program would, if true, be a violation of a law forbidding publication of communications intelligence.

Mr. Casey has said several times in recent weeks that he believed the Reagan Administration should prosecute news organizations that violate the laws protecting information related to national security. The Justice Department said tonight it would have no comment.

#### Report on Spy Suspect

The report, by James Polk, an NBC correspondent, discussed the activities of Ronald W. Pelton, a former employee of the National Security Agency

project with the code name Ivy bells believed to be a top-secret eavesdropping program by American submarines inside Soviet harbors.

The code name Ivy Bells has been mentioned around Washington for some time, but the NBC report was not independently confirmed tonight.

On the question of whether the broadcasting or publication of secret information, presumably already in the hands of the Soviet Union could harm the United States, the C.I.A. has argued that news reports could provide further confirmation to the Soviet Union that the information was accurate.

#### 'Statutory Obligations'

In his statement, Mr. Casey said: "We believe that the assertions, if true, made by James Polk on the NBC Today show violate the prohibitions in 18 U.S.C. 793 against publishing any classified information concerning the com-

By MATTHEW L. WALD

For a few years in the early 1980's, Ronald W. Pelton would go to a kitchen for homeless men in inner-city Washington two or three times a week to help serve breakfast. Friends said he was successful as a salesman, a witty person who was pleasant to be with, always ready to give help when needed.

By November 1985, he had left his family and acquired a lover and an expensive drug habit. He was changing jobs and residences frequently. Then he was arrested in Annapolis, Md., after admitting, according to the Federal Bureau of Investigation, that he had sold American intelligence secrets to the Soviet Union.

The F.B.I. believes that Mr. Pelton, after working as a computer analyst and manager at the National Security Agency from 1964 to 1979, sold the Russians sensitive secrets about the intelligence agency's ability to monitor and decode foreign communications.

Mr. Pelton, who is 44 years old, was arrested Nov. 25, and jury selection in his trial began this week in Baltimore. He has testified in pretrial proceedings that he was misled by interrogators into making incriminating statements.

To look back on his life now is to make a study of contrasts and a transition that people who say they were close to him cannot explain.

#### 'Never Saw Him Step on Anybody'

Mr. Pelton had access to a wealth of highly sensitive military information in his 14 years at the National Security Agency, prosecutors say. After he declared bankruptcy and left the agency, according to the F.B.I., he was extensively questioned by the Soviet Union over a period of several years and was paid \$35,000.

In contrast, according to Ray E. MacAnanny, his close friend and his employer at a car dealership and then a yacht dealership, "I never saw him step on anybody to get anywhere."

Ronald William Pelton was born Nov. 18, 1911, in Benton Harbor, Mich., and attended school there, graduating from Benton Harbor High School with a B+ average in June 1960.

"He was a pretty decent student," said James Miller, who taught Mr. Pelton in a philosophy class. Students in the class "were the upper 3 percent of the seniors," Mr. Miller said.

"I was as surprised as anyone that Ron got fouled up in something like this," he went on. "He was quiet and never caused me any trouble at all."

#### He Joined Agency in 1965

Mr. Pelton joined the Air Force after high school, and earned two years of college credits, some in Russian language, at Indiana University. Early in his Air Force service Mr. Pelton married; he and his wife, Judith Ann, from whom he has been separated for about a year, have four children, ranging in age from 16 to 21. Mrs. Pelton, a nursing supervisor at a nursing home, would not discuss his case. She attended several of the early hearings.

The Peltons returned to Benton Harbor in 1964 and he worked as a television repairman before joining the National Security Agency the next year.

The Government has not said what his duties were at the agency, the nation's largest spying operation, which intercepts and decodes electronic messages and gathers intelligence. But papers filed by the prosecution said:

"He impressed his co-workers with his intelligence, his grasp of technical detail and his memory. He was so capable that superiors well above him in the chain of command would consult him."

Whatever he knew, the F.B.I. believes the Soviet Union knows it now. Agents said Mr. Pelton told them that the Russians had questioned him on "practically every area of sensitive information to which he had access through his employment at N.S.A."

A motivation is not clear. According to prosecutors, Mr. Pelton said following his arrest that in January 1980, nine months after declaring bankruptcy and six months after leaving the agency, "he decided to go to the Soviet Embassy almost as an impulse, and he had thought of it a week or two at the most."

But Mr. Pelton, according to friends, always seemed to be busy trying to get somewhere. In the years after he left the Government he tried a variety of business schemes that were intended to make him rich but never seemed to work out, from selling houseboats to lean brokering.

"He was always going to make a million dollars," said Ralph Marshall, a salesman at the yacht dealership, in Annapolis. "There was always something in the fire that was going to come through for him. We would kid him about it."

Mr. Pelton took the teasing good-naturedly, according to Mr. Marshall and others. But he also said, without bitterness, that he would prove them wrong.

"Ron always wanted to be rich — I felt that," said Mr. MacAnanny.

#### \$61,000 In Debt

Unknown to some of his closest friends, Mr. Pelton, an Air Force veteran with strong electronic aptitude and a nearly photographic memory, was near the financial brink. He and his wife declared bankruptcy in April 1979, having started work on a house but stopping before the roof was on; for lack of funds. At the time he listed his assets as four old cars and a motorcycle with a total value of \$1,300, \$6.80 in cash and \$8 in a credit union account, and \$136 in personal effects.

The couple listed debts of \$61,500, including mortgages on the house. Once valued at \$31,000, the house was assessed at \$10,000 after it had been left roofless for more than a year.

Mr. Pelton left the National Security Agency that July. Intelligence agencies try to stay alert to financial extremes in their personnel, to detect vulnerability to espionage, or profit from it. Bankruptcy can be grounds for termination, and Mr. Pelton later told his friend Mr. MacAnanny that he had thought his financial troubles would cost him his job.

He went to work as a salesman for Mr. MacAnanny, who also got him involved in the kitchen for the homeless. The two had met at the Church of God, on Georgia Avenue in Silver Spring, Md., attended regularly by the Peltons. They became part of a group that met weekly at the MacAnanny home for prayer and fellowship.

#### Pelton 'Quick to Give'

Mr. MacAnanny, a 20-year veteran of the Naval Security Group, an intelligence operation, took Mr. Pelton's employment at the National Security Agency as a strong credential. "They're the best people to hire, for their honesty and integrity," he said. When agency employees walk into his Lincoln-Mercury dealership, he said, he knows that "chances are we can finance the guy."

Mr. Pelton, according to Mr. MacAnanny, was always "quick to give." After a storm felled a tree at the MacAnannys' home, he said, he had delayed removing it, and woke up one Saturday morning to discover Mr. Pelton in the backyard cutting it up with a chain saw.

Mr. Pelton played the piano at church services and choir rehearsals, at weddings for friends and at the breakfast program. He gave \$1,000 to the breakfast program and talked of helping to establish a shelter for the homeless men, Mr. MacAnanny said.

But in the 18 months before his arrest, Mr. Pelton drifted away from the church group, Mr. MacAnanny said, and seemed troubled.

#### An Unsettled Time

Clearly, it was an unsettled time in his life. The picture drawn by friends and investigators is that of a man who has pulled back from his family and church.

While working for Mr. MacAnanny, he had started trying to broker loans on the side, and he left the boat dealership to seek a living at that full time. Federal investigators say he began a relationship with another woman, Ann Barry, in April 1984, and left his wife a year later.

Miss Barry told her landlord that she worked with Mr. Pelton in the loan business, but friends say they doubt that any loans were actually arranged.

Mr. Pelton told the F.B.I. that Miss Barry introduced him to marijuana and cocaine and heavy use of alcohol. Later he moved on to Dilaudid, a prescription painkiller, which he took intravenously two or three times a week. It was a \$200-a-week habit. It made him feel "mellow," he said.

Miss Barry could not be found for comment. She left her Washington apartment at the beginning of this month without leaving a forwarding address or her keys, according to Ellen Weinbaum, the daughter of the building's owner.

In telephone conversations between Mr. Pelton and Miss Barry that were taped by the F.B.I., just before his arrest, he told her he was trying "to protect you, your future, you get, somehow, so you get some money no matter what happens to me."

Mr. Pelton had gone back to work for Mr. MacAnanny in October, the month before his arrest. He was "more troubled, ill at ease, and it wasn't as easy for him to talk about the Lord," said Mr. MacAnanny, who visits Mr. Pelton weekly, and says he is now "subdued and embarrassed, but not bitter."

Mr. MacAnanny said that if Mr. Pelton was guilty he would repent.

Mary Ervin, Mr. Pelton's stepsister, said his espionage arrest left her "about as dumbfounded as anyone who knows him." She said that while he worked for the National Security Agency he would tell his family nothing of the job, saying that "those were the rules."

"If he's made a mistake," she said, "he'll have to pay for it."

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In one of its broadest provisions, it prohibits disclosure of communications by foreign governments if they were obtained through interception.

No news organizations have ever been prosecuted under this statute.

Mr. Polk said: "NBC is referring Mr. Casey's allegation to our legal counsel and therefore I'm asked not to comment." Tim Russert, a vice president at NBC, said it had "referred Casey's allegation to legal counsel to review." He had no further comment.

A spokesman for the agency, George Lauder, said last week that intelligence officials had been ordered not to provide information on intelligence matters to The New York Times and other news organizations.

### 5 Organizations Names

Mr. Casey has said that five news organizations have violated the communications intelligence statute in reporting on intercepted Libyan communications. These were The New York Times, The Washington Post, Time, Newsweek, and The Washington Times. Editors in those organizations denied knowing of any story they published that violated the law and Justice Department officials were cool to the idea of bringing prosecutions.

In a speech last week, Mr. Casey said that he was not in favor of pursuing past violations, but said future instances in which the laws were broken should be pursued in the courts.

Two weeks ago, Mr. Casey warned two editors of The Washington Post that their newspaper could face prosecution if it published a report on the same subject.

Editors at The Washington Post have said they have not yet decided whether to publish their story on the Pelton case.

The Justice Department is the Federal agency that decides whether to bring criminal prosecutions. When other agencies believe they have evidence of criminal violations of Federal law, they refer the information to the Justice Department, which decides whether to prosecute.

Fred Warren Bennett, Mr. Pelton's lawyer, said today that jury selection in the case would take three to four days. He said trial itself would probably last between five and eight days.

Mr. Bennett said he did not plan to use classified information in defending Mr. Pelton. But he said he planned to cross-examine prosecution witnesses who are expected to testify on the potential damage to national security prosecutors say Mr. Pelton caused.

Most evidence against Mr. Pelton made public so far is drawn from his admissions to two agents of the Federal Bureau of Investigation in two interviews last year. Federal District Judge Herbert Murray has rejected Mr. Bennett's attempt to suppress those statements. Mr. Bennett said the statements were elicited through trickery and added that he would raise the issue again in the trial itself.

"We plan to pursue that defense as well as others," he said.

Prosecutors have avoided giving pre-

cise descriptions of programs Mr. Pelton has been accused of compromising. Government officials said the National Security Agency has pressed hard to assure that as little as possible is disclosed about its operations.

Prosecutors have also made public little information about telephone calls they said Mr. Pelton made to set up his first meeting with Soviet agents. In court papers, the prosecution has said only that the calls were made to a "targeted premises." Law enforcement officials have said these calls were made to the Soviet embassy.

Prosecutors have said in pre-trial motions that the tapes would be played for the jury through headphones. The tapes would not be audible to the public, although edited transcripts would be provided for reporters. The National Broadcasting Company and WMAR, its local affiliate in Baltimore, have challenged this procedure.

"We're trying to get it so the tapes are played in open court and no part of this trial is closed," said Stewart G. Webb, a lawyer representing the news organizations.

### Meetings in Vienna

According to court papers, Mr. Pelton disclosed to Soviet agents at least two sets of information relating to the security agency.

Prosecutors charged that Mr. Pelton called the Soviet agents in January 1980 to offer them something "very interesting." According to court papers, the F.B.I. said Mr. Pelton said he told the Soviet agents at a subsequent meeting about an N.S.A. collection project that could be understood without much technical knowledge.

Prosecutors charged that over the next three years Mr. Pelton met with Soviet agents twice in Vienna. Among the matters discussed, the prosecutors said, was a report Mr. Pelton wrote in 1978 about security agency projects aimed at the Soviet Union.

The tip that led to the investigation of Mr. Pelton came from Vitaly Yurchenko, a former official of the K.G.B., the Soviet intelligence agency who defected to the West. Mr. Yurchenko subsequently returned to the Soviet Union, charging he was kidnaped and tortured by the Central Intelligence Agency. But American officials have concluded he was a defector who changed his mind.

According to court papers, Mr. Pelton was overheard talking to Mr. Yurchenko in one of the phone calls intercepted by American authorities in 1980.

Judge Murray began questioning prospective jurors today about their affiliation with the military, the United States government, and local law enforcement agencies. He said he would question them individually in his chambers.

The jurors were asked to fill out questionnaire in which they were asked to identify, among other things, which newspapers they read, which television news shows they watched, and the names of their three favorite television shows.

WEDNESDAY, MAY 21, 1986



Ronald W. Pelton with his wife, Judith Ann, from whom he has been separated for about a year; on a fishing excursion on Chesapeake Bay, and in custody at the Anne Arundel County Detention Center in Annapolis, Md., after his arrest on espionage charges.



Associated Press



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 Exec \_\_\_\_\_  
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 Training \_\_\_\_\_  
 Telephone Rm. \_\_\_\_\_  
 Director's Sec'y \_\_\_\_\_

THE NEW YORK TIMES.

# Friends of Pelton, Spy Suspect, Cite A Baffling Transition Before Arrest

The Washington Post \_\_\_\_\_  
 Daily News (New York) \_\_\_\_\_  
 The New York Times 5/21 \_\_\_\_\_  
 The Wall Street Journal \_\_\_\_\_  
 The Chicago Tribune \_\_\_\_\_  
 The Los Angeles Times \_\_\_\_\_  
 The Christian Science Monitor \_\_\_\_\_

Date 5/27/86

Page \_\_\_\_\_





## PELTON SPY CASE CHRONOLOGY

- **1965:** Ronald W. Pelton joins the National Security Agency, the most secret of U.S. intelligence agencies, as a communications specialist. During his 14 years with the NSA, Pelton has a top-secret clearance and works in signals intelligence, which includes the monitoring of communications, radar and data on missile performance.
- **April 1979:** Pelton declares personal bankruptcy. In his filing, he lists debts of \$64,650, including first and second mortgages on a home he valued at \$31,000.
- **July 1979:** Pelton resigns from NSA. Over the next few years, he holds a variety of jobs, including selling boats, cars, real estate and working as a nutritional and fitness counselor.
- **Jan. 14, 1980:** With only a few hundred dollars in his bank account, Pelton meets with Soviet officials at the embassy in Washington and agrees to sell them information. Among others, Pelton speaks with Soviet Embassy security officer Vitaly Yerchencko. He identifies for Soviet officials on a map a U.S. intelligence collection project targeted at the Soviet Union. Later, he stays in touch with the Soviets through prearranged phone calls he receives at a wall phone at Pizza Castle in Falls Church.
- **October 1980 and January 1983:** Pelton travels to Austria, where he stays at the Soviet Embassy compound. During both trips, he spends several days in debriefing sessions with KGB agent Anatoly Slavnov and is questioned in detail about sensitive information he had access to at NSA. Pelton also makes a third trip to Vienna in April 1985, but misses connections with Soviet agents.
- **July 1985:** Yurchenko, now a KGB colonel in Moscow, defects to the United States. He provides information that leads the FBI to Pelton.
- **Nov. 25:** The FBI arrests Pelton, working as an Annapolis yacht salesman, after five hours of questioning at the Annapolis Hilton in which he acknowledges selling intelligence information to the Soviets.
- **Dec. 20:** A federal grand jury indictment charges Pelton with one count of conspiring to deliver national defense information to the Soviet Union, four counts of delivering or attempting to deliver that information and one count of transmitting communications intelligence to an unauthorized person. Further, the indictment alleges that Pelton received payments totaling \$35,000 in exchange for information given during his trips to Vienna.
- **Dec. 23:** Pelton pleads not guilty.
- **Jan. 16, 1986:** Pelton's lawyers argue that his statements to the FBI should not be admitted as trial evidence. Defense attorneys suggest that FBI agents led Pelton to believe he could escape prosecution by cooperating with them and agreeing to work as a double agent for the U.S.
- **May 15:** A federal judge in Baltimore rules that prosecutors can use Pelton's statements to the FBI as evidence.
- **May 27:** Pelton's trial on espionage charges begins.
- **June 5:** Pelton is convicted of four of five counts of spying.

Local Nazi hunter  
dogs the trail of  
Kurt Waldheim/IB



Playing the game  
of presidential  
jackstraws/ID



Many athletes can't  
handle the pressure  
from N.Y. fans/1C



# The Washington Times

THURSDAY, JUNE 5, 1986

WASHINGTON, D.C.

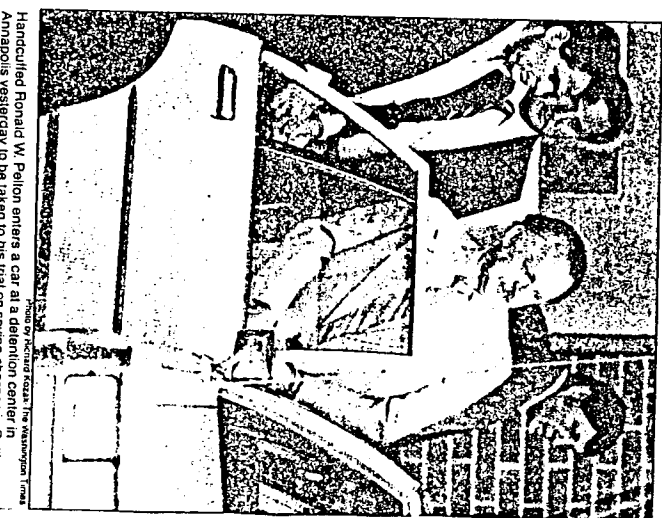
## Pelton jurors told to weigh FBI's tactics

By Bill Gertz  
and Ed Rogers  
The Washington Times

BALTIMORE — A federal jury weighed the case of accused spy Ronald W. Pelton late yesterday when instructed to disregard the former National Security Agency employee's admission the FBI if it finds they were not made fraudulent.

Three hours into the deliberations, jurors sent a note to U.S. Judge Robert F. Murray asking whether Mr. Pelton's statements were made voluntarily.

Defense attorney Fred Warren argued that the jury in its closing argument should not be misled by the government's closing argument that without the compromising statements, the government did not have enough evidence to convict Mr. Pelton on any of the five espionage counts in his indictment. During five hours of questioning in a hotel room by two FBI agents on Nov. 24, Mr. Pelton revealed that he



Handcuffed Ronald W. Pelton enters a car at a detention center in Annapolis yesterday to be taken to his final on spying charges in Baltimore.

## PELTON

From page 1A

whether statements are voluntary; the age, sex and experience of the defendant; along with his physical and mental state.

His knowledge of legal proceedings and of his legal rights. Pelton did not have any of these. Was he attorney present? Mr. Pelton did not have any of these. Was there a direct or implied threat or promise of reward or immunity? The setting of the interview (a hotel room).

All other circumstances. Before retiring, the jury asked that the seven-point test be read a second time. Judge Murray did so.

The jurors also listened a second time to FBI tapes of two telephone calls Mr. Pelton made to the Soviet Embassy in Washington in 1980.

Mr. Bennett argued that the FBI agents used "disingenuousness and deception" to induce Mr. Pelton to provide them with evidence they had not been able to obtain in other ways.

Mr. Bennett said Mr. Pelton, who declared bankruptcy just before returning from NSA in 1979, was undergoing a "mid-life crisis" when he decided to call the Soviet Embassy on Jan. 14, 1980, and to visit it on Jan. 15.

The FBI agents questioned him in the relaxed atmosphere of a hotel in the Washington area, and he gave them the information they needed to make their case.

After he had already made damaging admissions, Mr. Bennett said, "If the evidence leaves any doubt that he voluntarily made them, then disregard the statements entirely," he said. "You have a duty to bring the bell, strike it from your mind."

Without Mr. Pelton's statements, the government has not proven Mr. Pelton's guilt.

Pelton sold secrets to the Soviets, Mr. Bennett said.

Assistant U.S. Attorney John Douglas described Mr. Pelton as an experienced negotiator who knew what he was doing during the FBI interviews.

Noting that Mr. Pelton had been a skilled negotiator as a salesman and in arguing for budgets during his NSA career, Mr. Douglas said, "This man knew what he was doing in bargaining with FBI agents the day of his arrest."

"This is not some 16-year-old kid getting beat on with rubber hoses," Mr. Douglas said. "This is not a babe in the woods. He was trying to talk his way out of it and he is trying to talk his way out of it now."

"And his coup de grace: negotiating with the KGB," Mr. Douglas said, holding up a picture of Vitaly Yurchenko, the Soviet defector who alerted authorities to Mr. Pelton before returning to Moscow.

In opening his argument, Mr. Douglas pointed to the flag in the courtroom and said, "My client is in a position to tell you that man is not going to break into his courtroom and trash the premises of that client five defense projects for 17 years before he got caught, he said."

"He would still be doing it if the FBI hadn't stopped him," Mr. Douglas said. "There's nothing in law or reason or common sense that says you should let that spy walk away and thumb his nose."

Judge Murray later set the record straight, telling the jury that Mr. Douglas' client is the U.S. government.

Assistant U.S. Attorney Robert McDonald displayed to the jurors the cards Mr. Pelton took not to reveal top secret information he had access to during his 14 years of employment with the NSA.

"These are the cards that he broke and betrayed when he sold information to the Russians," Mr. McDonald told the jurors.

Mr. McDonald said Mr. Pelton provided the Soviets with information about an electronic intelligence system "aimed at the Soviet Union" during his 1980 meeting at the Soviet Embassy in Washington. He noted that the NSA's senior signals intelligence official had testified that the system was targeted at an important Soviet communications link.

The Soviets could find out what we can do and can't do, our technical capabilities and priorities," he said. Mr. McDonald told the jurors that Mr. Pelton had engaged in a conspiracy with Soviet KGB official Anatoly Slavov during long meetings at the Soviet Embassy in Vienna in 1980 and 1983.

"There's no question Mr. Pelton knew the information would be harmful to the United States and helpful to the Soviet Union," Mr. McDonald said. "He told the FBI. The Soviets got more out of me than I wanted to give up."

Mr. Pelton admitted that the lives of those who service the intelligence collection equipment had been placed in "personal jeopardy" by his disclosures, Mr. McDonald said.

The defendant has tried to put the FBI agents on trial, but the agents' acted completely professionally, Mr. McDonald said. "They did the job as well as any FBI agents could have."

Before the jury retired, Judge Murray asked one question that surprised the jury: "Did you have any other questions?"

"Whether FBI agents had the right to remain silent and to be in attorney present and should have warned him that anything he said might be held against him."

This is called the Miranda warning. "In this case, a Miranda warning was not required to be given Mr. Pelton during the November meeting," Judge Murray said.

# U.S. Says Pelton Tried for Deal With FBI

## Government Portrays Accused Spy as Good Negotiator Who Knew He Faced Prosecution

By Susan Schmidt  
Washington Post Staff Writer

BALTIMORE, June 3—Accused spy Ronald W. Pelton was portrayed by a government attorney in court today as a cunning negotiator who knew he faced prosecution for selling intelligence secrets to the Soviets and who tried in vain to strike a deal with FBI agents during the interrogation sessions that led to his arrest.

In an effort to undercut Pelton's claims that he was tricked into making damaging admissions that are now being used against him in court, prosecutor John G. Douglass tried to show during cross-examination that Pelton gave FBI agents what he believed was just enough information to show that he was "cooperating" with them.

Pelton, 44, a former National Security Agency employee who is accused of selling the Soviet Union information about five top-secret U.S. intelligence-gathering projects, acknowledged that the FBI agents never explicitly told him they wanted to use him in counterintelligence work. But he testified before the defense rested its case this afternoon that the agents repeatedly suggested that they needed information and help from him to penetrate Soviet intelligence operations.

The case is expected to go to the jury Wednesday.

During cross-examination, Douglass tried, sometimes unsuccessfully, to show that Pelton lied during his interviews with the FBI in November. At least five of the prosecutor's questions about Pelton's truthfulness were withdrawn or stricken from the record because U.S. District Judge Herbert F. Murray ruled they went beyond the scope of the interrogation session itself, the only area of questioning permitted.

The judge refused to allow Pelton to answer a question raised by the government to show that Pelton must have known that he was of no value to the FBI as a double agent or as a counterintelligence officer. According to court papers and arguments presented at a pretrial hearing, the Soviets had likely learned the United States suspected Pelton of spying through former KGB colonel Vitaly Yurchenko, who defected here last August and provided information that eventually led to Pelton's arrest.

Yurchenko defected back to the Soviet Union in November and is presumed to have told the Soviets that he provided information leading U.S. authorities to Pelton.

"You certainly can't be a double agent or provide information if the other side knows you've been compromised, can you?" asked Douglass. Murray ordered jurors to disregard the question and had it stricken from the court record.

Pelton has admitted receiving \$35,000 from the Soviets between 1980 and 1985, the period covered by the espionage charges.

Under questioning by Douglass, Pelton admitted that he lied to his girlfriend, Ann Barry, and to one of his employers, telling them when he went to Austria to meet with Soviet agents that he was going abroad to do undercover work for



Accused spy Ronald W. Pelton heading for court.

the CIA. "The government would call that a cover story," said Pelton.

The government appeared to be trying to undermine the credibility of Pelton's testimony in which he denied that he told the FBI agents that he sold information about four NSA intelligence-gathering projects to Soviet agents.

Pelton has acknowledged that he made incriminating statements to the FBI about Project A, an NSA program to intercept signals from a Soviet communications link.

But Pelton said he made the statements after being assured by FBI agents that what he said would not be used against him.

Douglass attacked Pelton's claims that FBI agents tricked him into believing they were not considering prosecuting him. The prosecutor cited taped statements Pelton made to his girlfriend Barry during a break between the interrogation sessions on Nov. 24. The statements, which were recorded on a government wiretap of Barry's apartment, have been admitted as evidence.

"There's a deal I might be able to make," Pel-

ton is heard telling Barry, adding at another point, "My alternative is about 20 years in jail."

In government testimony, Pelton has been characterized as a "wheel-dealer," a skilled budget negotiator during his 14 years at NSA and a man who tried to put together multimillion-dollar international money-brokering deals after he left the agency in 1979.

Pelton acknowledged today that he was an experienced negotiator, but said he was not trying to make a deal with FBI agents. Rather, he said, he was trying to comply with their request that he "cooperate" by providing details of how and when he made contact with the Soviets. He said he refused to answer some of the agents' questions about what information he sold to the Soviets because the agents had told him they were not interested in a "damage assessment."

"The position I was in was to take what they would give me," Pelton said. "I was in no position to demand anything."

However, Pelton agreed with Douglass' assertion that "they were being very indirect with you and you were being very indirect with them."

Under questioning from his defense attorney, Fred Warren Bennett, Pelton acknowledged that he was "prepared to do some negotiating" with top FBI officials, but he said he believed the subject of those negotiations would be his specific counterintelligence assignment.

A witness for the government also testified today that Pelton's use of the narcotic Dilaudid late in the afternoon on Nov. 24 probably would not have impaired his judgment during his second session with FBI agents that night.

Dr. Donald R. Jasinski, a clinical pharmacologist, testified that the Dilaudid, which Pelton injected about 5 p.m., would have elevated his mood and put him in a "dream-like state," but that its effects would have been "very minimal" by 10:45 p.m., when Pelton was called back to the Annapolis Hilton Hotel for a second interview with FBI agents. Pelton's admissions during that interview led to his arrest that night.

Pelton has testified that in addition to taking Dilaudid that afternoon at Barry's apartment, he drank about a half a fifth of vodka and had two triple-shot glasses of an orange liqueur.

Bennett has argued that the FBI, which had Pelton under surveillance, knew he had purchased drugs that afternoon and could have concluded that his reasoning powers would be impaired.

Before the trial resumed today for the sixth day, Judge Murray heard arguments from news organizations that have asked the court to make public a map on which Pelton allegedly circled, at the request of FBI agents, the spot where he told the Soviets that Project A was located.

Informed sources have told The Washington Post that Project A was a submarine operation to intercept Soviet communications in the Sea of Okhotsk, between the Kamchatka Peninsula and the eastern Soviet mainland.

Staff writer Patrick E. Tyler contributed to this article.

## Pelton Convicted of Selling Secrets

*Former NSA Employee Got \$35,000 From Soviets, Could Face Life Term*

By Susan Schmidt  
Washington Post Staff Writer

BALTIMORE, June 5—Ronald W. Pelton was convicted today of selling Soviet KGB agents top-secret information on U.S. intelligence-gathering projects directed at the Soviet Union.

The jury in federal court here deliberated for 13 hours before returning a verdict convicting Pelton, a 44-year-old former National Security Agency employee, on one count of conspiracy, two counts of espionage and one count of disclosing classified communications intelligence to an unauthorized person. He was acquitted on one count of espionage.

Pelton received \$35,000 from the Soviets for his espionage activities, which began after he left NSA in 1979.

Pelton, sitting slumped in his chair at the defense table, appeared drained but said nothing after the verdict was read. He could receive a sentence of life imprisonment on each of the espionage convictions and 10 years in prison and a \$10,000 fine for disclosing classified information.

U.S. District Judge Herbert F. Murray set sentencing for July 28.

U.S. Attorney Breckinridge L. Willcox said he was "delighted" by the jury's decision and acknowledged that his office had grown concerned about the outcome of the case when a verdict was not returned quickly. Prosecutors were worried, he said, when the jury asked for further instructions to determine whether Pelton's statement to FBI agents—the central

element in the government's case—should be thrown out.

The defense had argued that the agents violated Pelton's constitutional rights in obtaining the confession shortly before his arrest last November and that it should not have been considered as evidence against him.

The verdict, said Willcox, "clearly vindicated the FBI's handling of the case." He said the agents conducted "one of the most professionally investigated cases that I have witnessed in all my years in law enforcement."

But Fred Warren Bennett, Pelton's court-appointed attorney, said he took "severe umbrage" at the assertion that the verdict vindicated the FBI's methods and said he intends to appeal the verdict, if necessary all the way to the U.S. Supreme Court. An appeal would be based on the agents' failure to advise Pelton of his rights during the interrogation session and on threats and false promises Bennett contends the agents made to elicit incriminating statements from Pelton.

However, Bennett said his client had "an exceedingly fair trial" and that the jurors appeared to have weighed the defense arguments seriously when they began deliberations after listening to nearly seven days of testimony. He mentioned one young woman juror, who cried uncontrollably as the verdict was read and nodded her head in agreement when the judge, thanking the panel members for their work in the case, said, "I know it's hard to be a juror."

Afterward, Pelton's estranged

See PELTON, A41, Col. 1



Pelton, shown last fall after arraignment, could be sentenced to life in prison.

## The Ordeal of a Spy's Wife

*'I Still Love Him,' Judith Pelton Says*

By Susan Schmidt  
Washington Post Staff Writer

BALTIMORE, June 5—For seven days, Judith Pelton listened to government lawyers and witnesses recount in a federal courtroom how her estranged husband confessed to being a spy for the Soviet Union.

She heard a tape recording of her husband telling Soviet officials he had some "interesting" information for them. She sat in the courtroom as her husband's former lover described a life with him that revolved around money, drugs and liquor. And then today, she watched a jury convict Ronald W. Pelton of espionage.

"I still love him," Judith Pelton

said last night. "I still support him . . . I pray for him daily."

Judith Pelton said she does not believe that her husband sold secrets to the Soviet Union because his family was "destitute," as a government witness contended during his trial. Although finances may have been a problem, she said, the family was never "broke."

"He was going through the worst mid-life crisis of his life," she said, explaining what had gone awry for Ronald Pelton during the past few years. "It was a period in which he was confused about what he was doing with his life."

She said her husband became a born-again Christian in 1973, and

See WIFE, A41, Col. 1



U.S. Attorney Breckinridge L. Willcox, flanked by defense attorney Fred Warren Bennett, left, and Assistant U.S. Attorney John G. Douglass, announces verdict.

## Pelton Guilty of 4 Counts Of Spying for Soviets

PELTON, From A1

wife Judith, who attended the trial accompanied by the couple's children and sometimes by one of Pelton's former employers, said her husband was too upset to see the family after the verdict was delivered. "I am disappointed, of course, but I can certainly see how the jury came to this decision," Judith Pelton said.

Assistant U.S. Attorney John G. Douglass, who tried the case for the government, said he believed Bennett had done a "superb job" defending Pelton. "He gave Mr. Pelton about the most effective representation that any defendant could hope to have," Douglass said.

The government, determined to get a conviction in the Pelton case, took the unusual step of airing in open court information about the United States' capability to intercept and analyze Soviet communications signals, closely guarded information that included the most sensitive national security secrets.

In an interview on the courthouse

steps today, Willcox said there had been "some tension" between the Justice Department and the Department of Defense over how much information about U.S. intelligence operations to bring out in the trial. He said a "happy compromise" was reached and that he is "convinced we did not release too much information."

Willcox said Pelton, in his statement to FBI agents, revealed many details he gave to the Soviets about NSA communications intelligence projects that the prosecution was unable to present to the jury. As result, he said, the government was hampered in its prosecution. He also said that Pelton disclosed to the Soviets NSA projects and programs that were never mentioned during the trial and that were not as damaging as the disclosures discussed by the prosecution.

Willcox said the government is interested in getting a complete "damage assessment" from Pelton on the intelligence projects he compromised.

Pelton, described by witnesses as a brilliant man with an extraordinary memory for technical data, spent 14 years at the highly secret NSA as a \$24,500-a-year specialist in the Soviet communications unit. He left the agency in 1979, fearing that his declaration of personal bankruptcy would jeopardize his career there.

The government has said that he began his espionage activities six months later, walking into the Soviet Embassy in Washington and disclosing the secret location of U.S. equipment used to intercept military communications on a particular Soviet communications link. With information about that equipment and its operation, referred to in court as Project A, the Soviets would have been able to take countermeasures, the prosecution argued.

Bennett said one element of his appeal of the verdict would be Judge Murray's refusal to allow an

NSA witness to be questioned on an "incident" that occurred in the late 1970s. The defense argued that the "incident" led Pelton to believe that the Soviets knew about Project A even before he told them about it.

The Washington Post has reported that Project A was a submarine operation to intercept Soviet communications. Pelton, using a map, told FBI agents the operation was in the Sea of Okhotsk between the Kamchatka Peninsula and the eastern Soviet mainland. The "incident," according to a knowledgeable source, was a collision of a U.S. submarine and one from the Soviet fleet.

Pelton also was accused of participating in two lengthy debriefing sessions at the Soviet ambassador's residence in Vienna, disclosing to the Soviets four other top-secret NSA projects and information contained in what the government termed "an encyclopedia" of what the United States knows about Soviet signals intelligence. That document, the Signal Parameters File, was written by Pelton in 1978, when he held a middle-management level job at NSA.

# WILLIAMS

Commentary and Opinion



## The New Breed of Anti-U.S. Spy in Europe

By William Shawcross

**M**AGNUS PYM, the double agent of John Le Carré's new novel, "A Perfect Spy," declares at one point: "We betray to be loyal. Betrayal is the imagining, when the reality isn't good enough." Pym is the spy who came of age in the 1940s. Now, for many West European liberals, "reality" is an unbroken bond with the United States. They could argue, like Magnus Pym, that to be loyal to their own countries, and to a greater good, they need to undermine that bond, betray it if necessary. If so, such traitors may be men of some apparent distinction—the Aine Trewhitt, who is now serving the maximum 20 years in Norway in return for his work for the KGB.

The Trewhitt story is an alarming tale of vanity, self-delusion and greed—alarming because it seems likely that he could be the new sort of perfect spy. Trewhitt was the golden young man of the Norwegian Labor Party, and an accomplished, ambitious official of the Norwegian Foreign Office. In 1933 he was made chairman of the Foreign Office's press department, a charming man of 41, every journalist's friend and best contact. Smart, well-looking, energetic, a perfectionist.

In January 1934 he was in charge of press arrangements for Secretary of State George Shultz's visit to Norway for the European Security Conference. His arrest a few days later aroused absolute incredulity among those who knew him. Aine Trewhitt a spy? Out of the question. Norway was thrown into utter consternation. And not only Norway. Trewhitt had been a diligent campaigner against the junta of the Greek colonels and was thus closely connected with Andreas Papandreu and his socialist government in Greece. Say it's a lie, say anyone but not Aine Trewhitt. We all loved that man, not only for what he did for Greece, but also as a personal friend. Waited Melina Mercouri. Alas, it was not a lie. He had spent for 15 years. This did not diminish his celebrity. In prison he became a millionaire by writing and smuggling out a book lampshade process to which he was subjected. In fact, he was treated with the utmost kindness. He had a three-room suite, an office, a bedroom and an exercise room. His wife was allowed to visit him, until she dumped him. She has written her own account, which made her very rich, too. It is rather galling for the Norwegians. Trewhitt was born in a farming community. His father

politics by becoming leader of the student section of the Norwegian Labor Party. He also worked as a journalist. Then came the Vietnam war, which made anti-Americanism the political creed for thousands upon thousands of young Europeans. Trewhitt was involved in the antiwar movement in Norway, not as a dedicated backer, but as a voice on the streets but as a person who always seemed to be greeting and standing beside the principal speakers. But he never seemed to have any well-formed political views. One of his best friends said of him later that he had no ideology—beyond anti-Americanism.

**H**is most passionate cause was against the military junta that seized Greece in 1967. He helped organize opposition in Norway and traveled around Europe seeing all the Greek exiles, from King Constantine to Andreas Papandreu to the Moscow Greek Communists. He had no doubts the real problem was that the colonels enjoyed the support of the Nixon administration.

In the late 60s, the Scandinavian governments took the junta before the European Court of Human Rights. Trewhitt was the assistant to the lawyer arguing the Norwegian case. He claimed to have been "offered" work

## Spy Catching Is Not as Simple as You Think

By Kenneth C. Bas II

**W**HAT'S NOT OUR intelligence agencies do a better job of catching spies? Why do traitors seem to slip through their fingers and into the arms of the KGB? Is it a matter of incompetence in the intelligence community, which can be remedied by better police work? Or is it a more complicated problem?

The recent flurry of espionage cases suggests the need for tighter security. But it also shows that we won't be able to improve our spy-catching capability without significant costs—both in spending for counterintelligence and in diminished privacy and in civil liberties for government employees.

To put the matter bluntly: An America in which it would be easier to catch spies would be a different place to live. Before we go marching off in that direction in the current spy mania, we should think carefully about the costs.

The Pelton and Howard cases provide good starting points. They illustrate the huge damage that spies can do—and the difficulty of catching them before they spill the goods.

■ Ronald Pelton held a sensitive position with the National Security Agency. After falling into financial difficulties and filing for bankruptcy, he decided to sell out to the Soviet Union. He called the Soviet Embassy in January 1980 and was overheard through a lawful national-security wiretap. KGB contact, Vasily Yurchenko, defected to the United States in 1985.

Why couldn't the FBI catch Pelton before the damage was done? How could it have been, the armchair George Smiley might ask, for the FBI to have identified Pelton after his first call to the Soviet embassy, since his voice was recorded, he spoke unambiguously about his government employment, and information about his personal bankruptcy was already a matter of public record? ■ Or take the case of Edward Howard, the only known CIA officer turned Soviet spy. To critics, it reads like a chain of innocent blunders.

When the CIA hired Howard, they knew of his previous use of drugs but accepted his assurance that he had broken the habit. Apparently the agency didn't know of his reputation as a divider and womanizer. Two additional classic indices of potential KGB recruits, Howard completed his training as a CIA spy, but he failed a polygraph examination administered prior to his assignment.

# Closing the Net on Spies Will Cost Us Money and Change the Way We Live

LEAKS, FROM F1

to Moscow. At that point the agency decided he was too great a risk and tried to reassign him to a less sensitive position. CIA personnel officials undertook a deeper inquiry into Howard's background, found out about his drinking, and recommended that he be fired.

The FBI apparently didn't know about Howard until Yurchenko defected last year, well after Howard was fired in the early 1980s. The Bureau then began a full investigation. It is possible that his telephone was tapped. It is clear the FBI interviewed him one day, stalked out his house that evening, followed him to work the next morning, maintained a close physical surveillance throughout the day and evening, and "lost" him during the night. Some might see a "Kevorkian Cop" analogy and criticize the FBI for letting Howard get away. Others blame the CIA for failing to tell the FBI about their "problem child." When they first decided he was a security risk.

Clearly the efficiency of the intelligence community's personnel-security program and the FBI's counterintelligence program can be improved. But the simplistic suggestion that these cases show the bankruptcy of our security programs overlooks important factual, legal and public policy issues.

Take, for instance, the practical problems of turning the fruits of a wiretap into useful information. It is widely known, though not officially acknowledged, that our government listens in on telephone conversations to and from certain foreign government facilities in the United States. Among the thousands of daily calls to foreign government establishments, comparatively few are of genuine interest. Moreover the intercepted conversation, by itself, is often an inadequate lead. In Pelton's case, the information contained in the first intercept suggested suspicious conduct by an unnamed government employee, but it would have been virtually impossible to have identified Pelton by that intercept alone.

Why not, then, take the daily tapes and screen them against an electronic library containing the "voice prints" of all government employees who have national security "clearance"? It sounds plausible, but it's probably a technical impossibility. Voice recognition technology has not developed to the point that it is possible to automate comparisons of a single recorded conversation with a library of voice samples to produce reliable identifications. The fingerprint comparisons, voice comparisons are most useful when there is a fairly small

More than 110,000 individual employees and contractors have code word clearances. The daily number of recorded conversations with foreign establishments is also in the thousands. A comparison of all these conversations with all those possible samples is beyond the limits of today's technology, and even further beyond the budget limits imposed by Gramm-Rudman-Hollings.

What about simpler physical surveillance of Pelton's 1980 visit to the Soviet embassy? It's likely that he was observed entering the embassy and photographed by the FBI. But the chances are less than 50 percent that the photo clearly revealed his face, and even a good photograph would have been hard to match with existing employment photos of the 110,000 Americans who have code word clearance. An FBI tail of Pelton from the embassy might well have identified him, but we have to assume that the KGB did its job of concealing his departure.

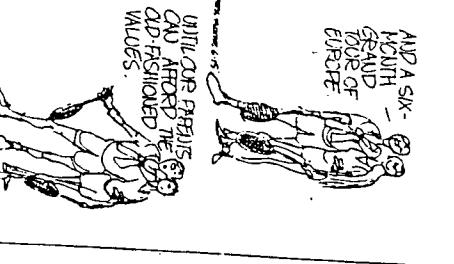
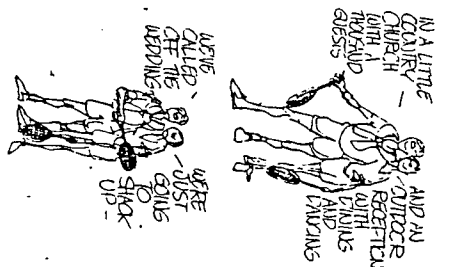
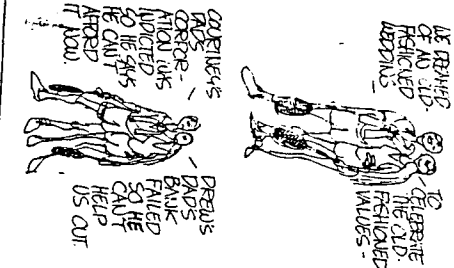
What about Pelton's financial vulnerability? The Washington Post ran a story a week ago describing CIA and NSA employees who, like Ronald Pelton, have filed for bankruptcy. Doesn't the government know that The Post knows about employees who have filed for bankruptcy?

The answer is a qualified no. Even in the area of national security employment, the government is not a very efficient collector of personnel information. The problems are the same multitude ones that every employer faces: time, money, intruding on their privacy. The government also has additional legal constraints not placed on private employers.

Over the past several decades, our society has become increasingly sensitive to the rights of privacy and freedom from unwarranted government intrusion. Congress enacted the Privacy Act in 1976 to prevent such excesses. That law includes a federal agency from maintaining records about individuals, including its own employees, unless the need for those records is clearly established and authorized by law. The act inhibits agencies from obtaining information about employees even from public sources. The President's Executive Order on intelligence activities also imposes significant legal and bureaucratic limitations on counterintelligence programs.

These legal constraints don't ban the intelligence agencies from collecting financial information about their employees, but they don't make it easy. Beyond the questions of feasibility and legality are some basic constitutional issues. We live in a society built on freedom and individuality dedicated to preserving that free-

## FEIFFER



national security employees whose behavior profiles suggest a potential for going over to the dark side. Think through the consequences for a moment.

Again let's use the Howard case. Assume the CIA had told the FBI that it was unacceptable security risk. What should the Director have done? At that time the FBI would have known only that an American citizen, a former government employee with knowledge of sensitive national security matters, had been identified as a "security risk." There was no evidence of past or imminent espionage activity.

Should the FBI have put Howard on a national security "watch list"? Should the FBI have opened a full counterintelligence investigation, placing him under constant physical, and perhaps electronic, surveillance? Many Americans would question such police-state tactics, even if they increased the likelihood of preventing Howard's desertion to the Soviet Union.

But surely, others might reply, the FBI could have used less intrusive techniques to keep track of Howard after he left the agency. Surely it should have been possible to track his information age to know of his contacts to Vienna (a favorite KGB site for contacting their spies) and his growing collection of grudges. Existing technology could indeed help the FBI collect such information. Airline computers could be programmed to kick out the foreign itineraries of selected individuals; banks, similarly could provide financial information on selected customers.

Both of these collection techniques are simple technological. But what of the costs to privacy? And, again, what would the FBI have done with the information if it had it? Should Howard have been held in "preventive" detention—held against his will—until his classified knowledge became too stale to be harmful? The

operation, setting up an elaborate scheme in which an American posed as a KGB defector and induced Howard to disclose classified information—so that he could be prosecuted and locked up? This approach has been followed successfully in other cases. Used selectively it is an important weapon in the counterintelligence arsenal. Used excessively it becomes a tool of entrapment and harassment.

Turn then to Pelton. Certainly we can change the system to focus more carefully on the telltale signs of economic distress that can lead to espionage. We could, and probably should, modify our background investigation and reinvestigation procedures to inquire about financial difficulties. Our systems have been too slow to change in this area.

We need to understand the new generation of spies better, especially their seemingly crass motivation. Current security investigation procedures are largely based on the experiences of the 1940s, '50s and '60s when the "normal employee-turned-spy" was a cliché on those experiences, we still have questions designed to probe political views. But the recent rash of cases teaches us that the spy of the '80s is attracted primarily by cold, hard cash. Certainly we should use that knowledge to refine our security checks and look for signs of financial insecurity.

Again the tension between freedom and security emerges. Suppose we make the necessary legal and regulatory changes to obtain periodic financial reports from intelligence community employees. What should we do with reports that show financial stress? Should we use them supportively, as part of an enhanced employee "counseling" program, or should we turn them over to the security officer? Should invocation of the

reduced risk of espionage? The answers to these questions will be difficult and may vary from case to case. But in order to make such choices you must first have the information—and that's likely to cause an uproar from civil libertarians, and government employees themselves.

When it comes to spies, Americans hate the disease. But we have the cure, as well. Think back for a moment about the polygraph debate. Security and intelligence professionals have long advised that professional use of the polygraph is one of the best tools to deter and detect disloyal employees. But the suggestion touches some very raw nerves. When the secretary of state threatens to resign rather than undergo a polygraph examination, for example, it's clear that we are touching on deeply-held values. What message do we send to our valuable, loyal and essential public servants if we begin to delve into their private financial affairs? Will we encourage loyalty or discourage employment?

The current spy mania raises questions about whether our approach to security is fundamentally flawed. In my view, it isn't. The real lesson of the recent wave of spy cases is that our counterintelligence system ever prevent Americans from "spying" for foreign powers. What we can hope for is to reduce the risk of such espionage cases and increase the chances of catching the traitors. And in most cases, we're succeeding. We are uncovering more spies today, in part, because our system has been improved. We are prosecuting more cases because we have developed better rules for espionage trials and because public markers in the last two administrations have decided that prosecution is a useful tool of counterintelligence. Criminal trials won't eliminate spies, any more than they will



# Prosecutors in Espionage Trial Call Pelton a Manipulative Con Artist

*Jury Deliberates After Defense Urges It to Ignore 'Moral Guilt'*

By Susan Schmidt  
and Patrick E. Tyler  
Washington Post Staff Writers

BALTIMORE, June 4—The jury in the espionage trial of Ronald W. Pelton began deliberations today after hearing an impassioned closing argument from prosecutors who branded Pelton a manipulative con artist who sold out his country, and a plea from the defense to judge Pelton not on his "moral guilt" but on his legal guilt.

"The man is a spy," prosecutor John G. Douglass told the jury in a steady whisper this afternoon. Douglass, pointing accusingly at Pelton, said: "My client is this nation, . . . and I'm here to tell you that that man is not going to walk into this court and trash the interests of that client the way he trashed the top secret, classified, sensitive national defense projects for a period of five years before he got caught and stopped."

Another prosecutor, Robert McDonald, read to the jury the security oaths Pelton signed when he joined the National Security Agency in 1965: "I solemnly swear not to reveal classified information to anyone."

Pelton, he said, once a trusted employee of one of the government's most secret agencies, "broke and betrayed" that trust when he sold Soviet agents information about five top-secret NSA intelligence-gathering systems "aimed at intercepting and exploiting—unscrambling" Soviet communications.

Defense attorney Fred Warren Bennett, arguing that FBI agents had violated Pelton's constitutional rights before they arrested him in November, implored the jury to disregard the incriminating statements the agents extracted from his client and to set aside any "personal dislike" for Pelton and the crimes he is alleged to have committed. "It's your duty to find legal guilt," he told them, "not moral guilt."

Pelton's statement to the FBI was irrelevant if it was not made freely, Bennett told the jurors.

U.S. District Judge Herbert F. Murray, in two hours of instructions to the jury, said it would be up

to the seven men and five women to determine whether Pelton's statements to FBI agents had been made voluntarily.

He said they should consider seven legal criteria, including whether the agents tricked or coerced Pelton or made any implied promises to him. If the jury finds Pelton's statement—the centerpiece of the government's case—was not voluntary, it must be disregarded, Murray said.

After several hours of deliberation, the jury requested clarification of Murray's instructions on whether the confession was voluntary.

Murray also took the unusual step of correcting Douglass for asserting that he represented "the nation" as prosecutor. "While that may be figuratively true," Murray told the jurors, "it may well be more accurate to say that he represents the United States government."

The jury, which has been sequestered since the trial began nine days ago, retired for the night at 11 p.m. after deliberating for 6½ hours. It is scheduled to resume deliberations Thursday morning.

Pelton, 44, is charged with three counts of espionage, one count of conspiracy to commit espionage and one count of unauthorized disclosure of classified information about U.S. communications intelligence. The last count carries a maximum penalty of 10 years in prison. Pelton faces a possible life term for each of the other four charges.

Pelton, an NSA employee for 14 years before he left the agency in 1979, is accused of selling information to the Soviets between 1980 and 1985 in return for \$35,000.

Pelton filed for bankruptcy six months after leaving his \$24,500-a-year job at NSA, and is alleged to have contacted Soviet agents first in January 1980.

According to a former supervisor at NSA who testified for the government in the trial, Pelton had broad knowledge of and access to enciphered Soviet communications.

Prosecutors said Pelton's skill as a budget negotiator for his NSA department and his experience later as a salesman amply prepared him for his interview with FBI agents.

"This is not some 16-year-old

getting beat on with a rubber hose," said Douglass. "He bluffed, he probed, he gave up a little bit at a time until he hung himself."

"He was a con artist, a wheeler-dealer," Douglass said to the jury. "He's trying to con you."

Douglass said the FBI agents conducted their interrogation of Pelton "by the book." Agent David Faulkner, who ran the interview, "ought to get a medal, ought to get a commendation," Douglass said. "He got the spy to confess."

But Bennett told the jury that Pelton was "working against a stacked deck" in his interview with the FBI agents.

Pelton was led to believe the FBI wanted to know what he sold to the Soviets for counterintelligence purposes, not so they could use his admissions for prosecution, Bennett said.

"They told him, 'You can talk to us. We have it from other sources. What you tell us will not be used against you,'" Bennett said. "Is it being used against him?" he asked the jury.

Douglass stressed that Pelton "gave up information which he himself admitted on the witness stand could potentially endanger lives."

Douglass was alluding to Project A, the top-secret NSA program that intercepted communications on a key Soviet "communications link."

Informed sources have told The Washington Post that Project A was located in the Sea of Okhotsk near the eastern Soviet mainland.

Pelton was accused of walking into the Soviet Embassy in Washington in January 1980 and pointing out the location of Project A on a map.

Under FBI interrogation last November, Pelton circled a spot on a map to duplicate what he had disclosed to the Soviets.

"Mr. Bennett talks about the fact that he pointed out the wrong location to the agents for Project A. It was several hundred miles off," said Douglass.

"It didn't matter. [It] would be more than enough to let the Soviets know where the communications link was. They know their own communications links like you know where your phone is," the prosecutor declared.

# Judge Allows Statements Pelton Gave to the FBI

## *Spy Trial Expected to Begin Next Week*

By Sharon LaFraniere  
Washington Post Staff Writer

A federal judge in Baltimore ruled yesterday that prosecutors can use statements that Ronald W. Pelton's made to the FBI before his arrest as evidence in his espionage trial, which is expected to begin early next week.

While U.S. District Judge Herbert F. Murray said he was "somewhat troubled" and puzzled by the behavior of the FBI agents who questioned Pelton, he rejected defense arguments that the agents misled Pelton and failed to inform him of his rights when they should have.

Pelton's statements during five hours of interviews in late November are the crux of the government's case against the 44-year-old former communications specialist for the National Security Agency. Pelton is accused of selling Soviet agents extremely sensitive information about U.S. intelligence-gathering systems directed at the Soviet Union.

Fred Warren Bennett, Pelton's attorney, said he was disappointed by the judge's ruling but that he would challenge the agents' behavior, as well as the constitutionality of evidence taken from wiretaps, during Pelton's trial.

He said "there are no discussions" of a plea bargain, indicating that prosecutors would never agree to a prison term much less than the life sentence Pelton faces if convicted on any one of five charges.

"You saw what Arthur Walker got

in Norfolk, and what John Walker is going to get," Bennett said. "Even with cooperation, we don't think it's a significant enough inducement in this case to discuss a plea."

Bennett had argued at hearings that FBI agents should have told Pelton of his rights to be silent and to have an attorney because Pelton was essentially "in custody" during the interviews at an Annapolis hotel. But Murray noted that the agents let Pelton leave the hotel for lunch and that Pelton returned for the interview at night.

Murray also said that Pelton was capable of deciding whether to talk, despite his testimony that he had drunk two glasses of Grand Marnier and a half of a fifth of vodka and injected four milligrams of the narcotic Dilaudid before the night interview.

In his ruling, the judge said that in general Pelton "demonstrated a great deal of knowledge of the seriousness of the interrogation and certainly had a 'layman's' awareness of important legal concepts."

"The defendant is an intelligent person with a great deal of experience, which would make him an unlikely personality to be coerced into

an involuntary confession," the opinion stated.

Murray found "some merit" in Pelton's argument that the agents implied that the government would use him as a counterintelligence agent instead of prosecuting him if he cooperated.

"For example, the court finds it difficult to understand why the agents expressed concern to Pelton about his drug purchases and use," as if they worried whether he would be reliable as an agent, the opinion said.

The judge also said he was "somewhat troubled" that the agents told Pelton they could not discuss national security matters in front of a lawyer unless the lawyer had proper clearance.

"Although technically they did not deny the defendant an attorney, the court believes it would have been more in keeping with the spirit of the law 'for the agents to have explained more carefully what they would and would not discuss in front of an attorney and the implications for the defendant,'" the opinion said.

But the judge ruled that the "totality of circumstances" showed that Pelton spoke voluntarily.

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## FBI Agents Detail Talks With Pelton On Information He Gave to Soviets

PELTON, From A1

fed today that shortly before Pelton's arrest in November 1980, he had been telling Soviet agents about the location and equipment used in Project A. Faulkner said that during the interrogation of Pelton on Nov. 24, Pelton was handed a map and he showed the agents how he had pointed out the location of the Project A collection equipment in the Soviet Union.

The location that Pelton pointed to on the map was the Sea of Okhotsk between the Kamchatka Peninsula and the eastern Soviet coastline, according to informed sources.

Although the map bearing Pelton's notation was shown to the jury and introduced as an official exhibit in the trial, U.S. District Judge Herbert F. Murray immediately sealed the exhibit. Requests by news organizations to view the map were rejected. "You can file a lawsuit," prosecutor John Douglas told reporters, "but you'll lose it."

Yesterday, NSA officials testified that the United States had been successfully intercepting messages relating to Soviet military movements, planning and weapons capabilities on this communication "link." After Pelton's alleged compromise of the operation, the Soviets had more than sufficient information to take countermeasures to stop the interception, according to Douglas.

According to Faulkner, Pelton told FBI agents that the Soviet Union had already known something about Project A because of an unspecified incident that took place in the late 1970s. Details of the incident could not be learned. However, congressional oversight committees have raised questions in the past about a number of collisions between Soviet naval vessels and U.S. submarines involved in secret intelligence-gathering operations.

Faulkner, one of the FBI agents who questioned Pelton shortly before his arrest, told the court that Pelton admitted selling information about five highly sensitive NSA projects, and provided the agents a general description of the information he disclosed.

Pelton said that he described to the Soviets Project

A's collection equipment, including its size and some of its technical problems, Faulkner testified. But Pelton allegedly told the agents he had little information for the Soviets on the "product" of Project A—the actual intelligence data it harvested.

Pelton acknowledged, Faulkner said, that his revelations about Project A had been "enormously costly" in budget terms, but Pelton refused to answer the agents when asked if he considered his disclosures "life-threatening" to those "individuals involved in servicing the [Project A] equipment."

Faulkner said Pelton also admitted telling the Soviets of the location of Project B, which a senior NSA official testified yesterday is an ongoing operation to upgrade equipment used in collecting and processing intercepted Soviet messages. Pelton admitted telling the Soviets of Project B's five-year budget projections, Faulkner said, which "gave the Soviets inside knowledge of the operations of NSA."

According to Faulkner, Pelton said that Projects C and D, identified by prosecutors yesterday as the locations of two special intelligence-gathering projects, did not appear to be of great interest to the Soviets.

Pelton also allegedly told the agents that there was little interest in Project E, described in testimony yesterday as a U.S. system for intercepting "command and control" communications from "the highest level in the Soviet Union to the next highest level." Faulkner, recounting what Pelton allegedly told the agents, said: "The Soviets were not surprised and didn't seem to be particularly interested in that."

Faulkner recounted several candid and personal exchanges that he said took place with Pelton during the lengthy interrogation on Nov. 24. As they waited for an elevator after the first, three-hour session of the interrogation at the Amman Hotel, Faulkner testified that Pelton said: "You must find it very disgusting to deal with someone who had done what he had done. Faulkner, trying to win Pelton's confidence, said he replied that he believed Pelton had sold secrets to the Soviets only because he wanted to help his destitute family.

Later, just before Pelton was placed under arrest, Pelton told agents that "walking into the Soviet Embassy on Jan. 15, 1980, was the biggest mistake of my life," according to Faulkner's testimony. But, Pelton alleged,

edly said, "When you're broke and desperate and your family is barely surviving, you do crazy things."

Pelton, who worked for NSA for 14 years, allegedly first contacted officials at the Soviet Embassy in Washington on Jan. 14, 1980, and met with them there the following day.

Pelton allegedly told the FBI agents he was forced to file for bankruptcy in April 1979 after his dream to build his own house in rural Howard County fell apart when thieves stole his building materials, leaving him "mortgaged to the hilt." Pelton said he left his \$24,500-a-year job at NSA a few months later because he knew "if NSA found out it would affect his career and be embarrassing," Faulkner said.

After Pelton left NSA he aspired to ambitious investment and currency trading ventures, none of which bore fruit, according to information presented in today's testimony. In one instance, Faulkner said, the FBI discovered that Pelton had written two checks, one for more than \$2 million and one for more than \$4 million, on a Riggs National Bank account that contained only \$300. Pelton allegedly told the agents a deposit was on the way to the bank that would have covered the checks. One of the two unidentified recipients of the checks framed the check he received from Pelton and put it on his wall, and the second recipient filed a lawsuit against Pelton which was later "resolved," Faulkner said.

During questioning that lasted for five hours, Faulkner said, Pelton allegedly related the details of how he kept in regular contact with Soviet agents from January 1980, when he allegedly began disclosing secrets to the Soviets, until the time of his arrest.

At 8 p.m. on the last Saturday of each month, Pelton allegedly told the agents a Soviet official would place a call to a wall phone at the Plaza Castle restaurant at Seven Corners, near Falls Church. If Pelton missed the call, he could not make contact for another month. However, he allegedly told the agents that the Soviets had told him that in an emergency, he could simply walk into the Soviet Embassy in Washington, posing as a businessman marketing a "power pack" gas-saver device—another of Pelton's failed business ventures.

Faulkner testified that Pelton told FBI agents that his relationship with the Soviets had caused him concern for his own safety and for his family's safety. He said to protect himself he bragged to the Soviets that he still had friends he could contact at NSA for more current intelligence information, according to Faulkner.

By late 1985, Pelton allegedly told the agents, the Soviets had exhausted his storehouse of knowledge on NSA. They have taken everything from me that I had

## Agents Detail Talk With Alleged Spy

By Susan Schmitt  
and Patrick E. Tyler  
Washington Post Staff Writers

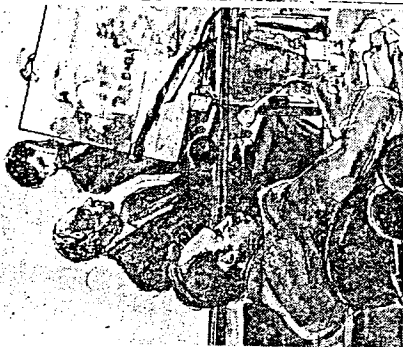
DALTON, May 28—Accused spy Ronald W. Pelton allegedly told FBI agents that based on dozens of hours of debriefing sessions with Soviet agents he concluded that the Soviets were most interested in the "overhead collection capabilities of spy satellites and the U.S. ability to intercept messages to and from Soviet embassies."

Pelton, a former National Security Agency employee, discovered that the Soviets did not appear surprised that the United States intercepts "command and control" communications from the "highest level" authorities in the Soviet Union, according to an FBI counterintelligence officer who testified in federal court here today. Pelton also allegedly reported to FBI agents that the Soviets did not seem interested in the two secret locations where Pelton said the United States was intercepting other Soviet communications.

The second day of Pelton's trial on espionage charges focused on how two FBI counterintelligence agents persuaded Pelton last November to talk about the top secret U.S. intelligence-gathering system he divulged to the Soviets in return for cash payments. Pelton's revelations to the Soviets allegedly included "Project A," which well-informed sources have told "The Washington Post" was a submarine operation to intercept Soviet communications.

FBI agent David Faulkner testified.

See PELTON, A1X Col. 1



F.B.I. agent David Faulkner, left, and Ronald W. Pelton, right, who holds sketch of Soviet Embassy compound in Vienna.

Pelton testified as FBI agent Faulkner answered questions, who holds sketch of Soviet Embassy compound in Vienna, to that point," Faulkner quoted Pelton as saying. Pelton said that if his alleged spying activity had continued, the former NSA colleagues and pump them for more current classified intelligence data that he could sell to the Soviets.

Under cross-examination today, Faulkner acknowledged that the FBI went to great lengths to set up a six-room command center at the Amman Hotel in Washington to conduct court-ordered electronic surveillance of Pelton and to lure him into a related "interview" with FBI agents.

Questioned about the purpose of this elaborate setup, Faulkner said the FBI wanted to avoid questioning Pelton in a police setting so agents would not have to advise Pelton of his constitutional rights against self-incrimination and his right to have an attorney present. Faulkner told defense lawyer Fred Warren Bennett that he did not interpret Pelton's repeated statement that anyone in his situation "would be crazy" not to consult an attorney as a request for one.

# Spy Suspect Had Access To 'Range' of Secrets

## Former NSA Employee Pelton Is Indicted

By Susan Schmidt  
Washington Post Staff Writer

BALTIMORE, Dec. 20—Accused spy Ronald William Pelton "obtained a wide range" of top secret U.S. intelligence information during his 14 years as a communications specialist with the National Security Agency, according to an indictment returned today.

The indictment, issued by a federal grand jury here, alleges that Pelton communicated with Soviet agents during a five-year period and received two payments totaling \$35,000 in exchange for information during trips to the Soviet Embassy in Vienna in 1980 and 1983.

According to the six-count indictment, Pelton had clearance for top secret and even more highly classified information during his entire tenure at NSA. At his arraignment three weeks ago, Pelton was accused of selling the Soviets "extremely sensitive" information about methods the United States uses to gather information about the Soviet Union.

Pelton worked in the area of signals intelligence, which includes monitoring of communications, radar and data on missile performance. He left the highly secret NSA in 1979 and is alleged to have spied on the Soviets from 1980 to 1985.

Today's indictment does not state what intelligence projects Pelton is alleged to have told the So-

viets about, but it indicates that he was in a position at NSA to have gathered a broader range of information than was previously disclosed.

An FBI affidavit presented in court at his arraignment said Pelton acknowledged that "he was questioned about practically every area of sensitive information to which he had access through his employment at NSA" during long debriefing sessions with Soviet KGB agent Anatoly Slavnov in Vienna in 1980 and 1983.

Prosecutors refused to say whether Pelton received any more money than the \$35,000 mentioned in the indictment.

Pelton, 44, was arrested Nov. 25 in Annapolis after five hours of discussions with FBI agents in which the FBI said he acknowledged he sold intelligence information to the Soviets. The FBI said he was identified as a spy for the Soviets based on information provided by Soviet KGB official Vitaly S. Yurchenko, who asked for political asylum here in August and abruptly decided to return to the Soviet Union last month.

Fred Warren Bennett, Pelton's court-appointed attorney, said his client would plead not guilty to all counts at a hearing Monday.

Bennett said he plans to challenge in pretrial motions the admissibility of the statements Pelton allegedly made to FBI agents before his arrest. Keeping the state-

ment out of evidence would be "a real blow" to the government, he said.

According to the indictment, Jan. 10, 1980, Pelton went to the Soviet Embassy in Washington and turned over intelligence information to Soviet officers. On an unspecified date later that year, Pelton traveled to Vienna and delivered intelligence information to a Soviet agent, who was paid \$20,000 for the information.

In January 1983, Pelton was again in contact with a Soviet agent, who was paid \$15,000 for the information.

The indictment also alleges that Pelton provided information to a Soviet agent for the purpose of meeting with the agent. According to the FBI's affidavit, Pelton's trip in 1983 was for three days on that occasion but was made a month with

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was having serious financial difficulties about the time he allegedly made contact with the Soviets in 1980. But his circumstances appeared to have improved in recent years.

According to his girlfriend, Pelton, who lived for a number of years in a Dupont Circle apartment, paid her rent and bills and spent as much as \$500 a week on dinners and entertainment. At the time of his arrest, Pelton was working as a yacht salesman in Annapolis, earning a

The indictment charges Pelton with four counts of espionage: delivering or attempting to deliver U.S. intelligence information to Soviet agents, one count of committing espionage and one count of communicating classified information to an unauthorized person. The maximum penalty is 30 years in prison for each of the espionage counts and 10 years for the disclosure of classified information.

# British link in spy arrest

by Mark Hosenball  
Washington

A FORMER American intelligence official now charged with spying for Russia worked for six years on top-secret assignments in Britain, The Sunday Times has learned. Ronald William Pelton, a former employee of the American National Security Agency, was posted to Britain on secret business in the late 1960s and early 1970s.

He was arrested by American authorities last November on charges of spying for the Soviet KGB. US court documents say he was thoroughly questioned by his Russian contacts about all his work for the super-secret American eavesdropping agency.

Pelton's job with the security agency was so secret that American officials have refused to say what he did during any of the 14 years he was on the staff.

They have also declined to say where Pelton worked when he was posted to Britain between 1966 and 1972.

It is known, however, that the agency maintains a satellite communications station at an American army base at Menwith Hill, near Harrogate, and that it also has a large "liaison" staff at Government Communications Headquarters (GCHQ), the British eavesdropping centre at Cheltenham.

American officials were extremely angry when they discovered that Geoffrey Prime, the former Cheltenham linguist and convicted Soviet spy, may have compromised US spy satellite secrets that had been shared with Britain. Now the Pelton case has raised the possibility that an American traitor may have compromised British eavesdropping secrets.

Pelton, 44, worked for the National Security Agency between 1965 and 1979. Shortly before leaving the staff he became bankrupt. American officials say it was his personal financial difficulties that led him in January 1980 to visit the Russian embassy in Washington seeking to sell secrets he acquired.

The Russians flew Pelton to Vienna on at least two occasions for "debriefing".

There, he has told the FBI, he was questioned for up to eight hours a day "about practically every area of sensitive information to which he had access through his employment at NSA". About all the American government has said about the type of secrets compromised by Pelton was that they included information about "a United States intelligence-collection project targeted at the Soviet Union". Pelton has pleaded not guilty to spy charges.

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# ARREST

From page 1A

On one occasion, the government charged, Mr. Pelton provided specific information relating to a U.S. intelligence collection project targeted at the Soviet Union.

"NSA representatives have confirmed that Pelton had access to extremely sensitive information relating to that project ... the disclosure of which may be potentially damaging to the United States," the affidavit said.

Reagan administration officials yesterday confirmed that it was KGB defector Vitaly Yurchenko who identified Mr. Pelton as a Soviet spy. Mr. Yurchenko, who also named another alleged spy who remains at large, "redefected" to Moscow earlier this month.

During FBI interrogation on Sunday, Mr. Pelton admitted meeting with KGB officer Anatoly Slavnov on several occasions between January 1980 and January 1983. As recently as last April, the FBI said, Mr. Pelton made a spy trip to Vienna to meet with a Soviet contact.

Mr. Pelton admitted receiving cash payments from the Soviets on several occasions, including a \$15,000 payoff as a result of a 1983 trip to Vienna.

The affidavit said Mr. Pelton's spying began after he went to the Soviet Embassy in Washington in January 1980 offering to sell information. He had serious financial troubles at the time and had filed for bankruptcy in April 1979, according to court records.

Mr. Pelton admitted taking his first trip to Vienna in October 1980. On that and subsequent trips, the FBI said, he spent three to four days in the country, housed at the apartment of the Soviet ambassador to Austria, located within the Soviet Embassy compound.

The FBI said that on both occasions, Mr. Pelton spent about eight hours a day in debriefing sessions with Mr. Slavnov, providing written answers to written questions.

It was during the debriefing sessions, the affidavit said, that Mr. Pelton "was questioned about practically every area of sensitive information to which he had access through his employment at NSA."

NSA records indicate that Mr. Pelton in 1978 authored a classified document concerning technical information about the Soviet Union which, the NSA said, related to U.S. defense. Mr. Pelton told the FBI that his Soviet

contact was interested in all programs outlined in the document.

The most secretive and largest of the U.S. intelligence agencies — so secret that the agency refuses to disclose the number of its employees — the NSA monitors communications around the world through electronic listening posts and intelligence-gathering satellites.

The NSA also specializes in cryptography — cracking of secret codes.

A spokesman for NSA, Barbara Prettyman, said yesterday there would be no immediate comment on the case "because all the pieces are not yet together."

In Annapolis, there was amazement that Mr. Pelton — the fourth espionage arrest in five days — had been apprehended in the Chesapeake Bay community.

Nobody at the Hilton Inn Hotel, where Mr. Pelton was arrested, could identify his photograph when a reporter showed it yesterday.

"I am a trained observer and an ex-policeman," said the night desk clerk, "and I can't remember seeing him."

Mr. Pelton is alleged to have been a "yacht dealer," but no one in that tightly knit harbor could identify him.

In an unrelated case yesterday, Anne Henderson-Pollard, charged Friday with assisting her husband in a scheme to sell highly classified documents to a foreign government, was ordered held without bond pending a preliminary hearing tomorrow.

U.S. Magistrate Patrick Attridge said Mrs. Pollard and her husband, Jonathan Jay Pollard, could appear together at the hearing, at which time federal attorneys will have to present sufficient evidence against them to justify holding them for trial.

At that hearing, the Pollards can request that bond be set.

Mr. Pollard faces life in prison if convicted of espionage. His wife has been charged with unauthorized possession of classified documents, and could be sentenced to 10 years in prison and \$10,000 fine if convicted.

Yesterday, the short, plump red-haired woman requested that arrangements be made in jail to allow her to take prescription medicine, which she said she had had trouble getting since her arrest Friday.

Her attorney did not contest the decision to order her held without bond.

Staff writers Barnard L. Collier and Michael Hedges contributed to this report.

# FBI arrests ex-NSA worker accused of spying for Soviets

By John McCaslin  
THE WASHINGTON TIMES

FBI agents early yesterday morning entered an Annapolis hotel and quietly arrested a former National Security Agency communications specialist who the FBI said had admitted selling "extremely sensitive" information to the Soviet Union.

Ronald William Pelton, 44, who possessed top-secret clearance while employed at the intelligence-gathering agency between 1965 and 1979, admitted under questioning the previous day that he had received money from

*Is the Justice Department trying to make the administration look good after the Yurchenko affair? Page 4A.*

*A personal look at spy suspect Jay Pollard. Page 4A.*

*A Ghanaian man accused of espionage gets 24 hours to leave the country. Page 3A.*

the Soviets on several occasions, including a \$15,000 payoff during a clandestine trip to Vienna, Austria, in 1983, according to an FBI affidavit.

Mr. Pelton, who recently has lived in Northwest Washington and in Silver Spring, yesterday appeared before U.S. Magistrate Daniel E. Klein in Baltimore on charges of gathering and delivering defense information to aid a foreign government.

His espionage activities continued through this year, the FBI said in an affidavit.

see ARREST, page 14A



Ronald William Pelton

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The Christian Science Monitor \_\_\_\_\_

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Page \_\_\_\_\_ FBI/DOJ



# ear of spy: rackdown nares 10

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By Sam Meddis  
USA TODAY

BALTIMORE — There was none of the glamour of a James Bond thriller. In rumpled cream slacks and an unpressed shirt, Ronald William Pelton stood in federal court — the fourth person in five days accused of spying.

The former communications specialist with the super-National Security Agency was fingered by Vitaly Senko — the fickle KGB defector who returned Nov. 6 Soviet Union, said FBI Assistant Director Bill Baker. Senko claimed that he hadn't defected, but was sed and kidnapped by the CIA. Senko's midnight arrest at an Annapolis, Md., hotel d a weekend espionage sweep by the FBI — netting a intelligence officer, his wife and an ex-CIA analyst. brought to 10 the number of USA residents arrested in ear of the spy," as National Security Council consuloy Godson calls 1985.

ite House spokesman Larry Speakes claimed victory:

Please see COVER STORY next page ►

## COVER STORY

# Money the likely motive

Continued from 1A

"This administration from the outset has set priority on rooting out cases of espionage over the past five years."

And the FBI has more counterintelligence agents than ever, said Baker, though he won't say how many. They meet daily to swap information with the CIA and get help from a sophisticated computer — similar to one used in the crackdown on organized crime — that keeps tabs on people's movements, spots patterns and makes associations.

In interviews with FBI agents before his arrest, Pelton, 44, admitted selling the Soviet KGB "extremely sensitive" national defense secrets, an affidavit by Special Agent David E. Faulkner says.

The once-bankrupt, \$600-per-week boat salesman confided that his spying stint lasted from January 1980 until 1983. It began just after he ended a 14-year career with the NSA — the USA's largest intelligence agency, so secret its initials are said to stand for "No Such Agency."

Its mission: To eavesdrop on the world.

At NSA, Pelton had top-secret clearance and worked within the machinery responsible for cracking codes — and devising unbreakable ones for the USA.

Pelton's first act of betrayal was as easy as walking into the Soviet Embassy in Washington, D.C., and turning over information on a USA spy project against the Soviets, said Faulkner.

Suspected motive: Money. In April 1979, Pelton had filed for bankruptcy.

The Soviets were more than willing to help him with his debts. It is not known how much he collected, Faulkner said, but he was paid \$15,000 in January 1983 on one of several trips to Vienna, Austria.

What he did with all the money isn't known, but it appears he hardly made a killing in the spy business, according to his court papers that ask for a public defender. He listed his sole asset as a 7-year-old Lincoln car.

He was treated grandly by the Soviets in Vienna — staying in their ambassador's personal apartment, Faulkner said. On each visit, Pelton spent about eight hours a day providing written answers to written questions on "practically every area of sensitive information to which he had access through his employment at NSA," Faulkner said.

Last April, Pelton failed to connect with his KGB contact in Vienna. But Pelton told the FBI he knew the information he had already passed over could be used to injure the USA, Faulkner said.

The extent of the injury is not yet known. NSA's damage assessment will probably never become public.

But the magnitude of the case can't be hidden, said Georgetown University intelligence expert Allan Goodman: "Any breach of NSA security ... is a major source of damage to the U.S."

NSA's name was secret for 10 years af-

ter it was set up in 1952, said James Bamford, author of the *Puzzle Palace*. Piercing its thick cloak with a massive Freedom of Information Act demand, he found an agency that dwarfs the CIA:

■ 100,000 employees worldwide, about five times the size of the CIA.

■ \$10 billion to \$12 billion annual budget, vs. the CIA's \$2 billion to \$3 billion.

With satellites and international "antenna farms," it collects about 85 percent of all USA intelligence.

Goodman said this year's espionage arrest record proves the USA has a "vigorous counterintelligence effort." But "This really shows a government that is seriously riddled with security problems."

The lineup so far in the year of the spy

■ Michael Soussoudis, 39, a Ghanaian living in the USA, and Sharon M. Scranage, 29, a CIA clerk, were charged last July with espionage and leaking secrets to the government of Ghana. Scranage Monday was sentenced to five years in prison. And the FBI announced Soussoudis would be traded for 10 Ghanaians "of interest" to the USA.

■ Larry Wu-Tai Chin, 63, retired CIA analyst, charged with passing classified national security documents.

■ Jonathan J. Pollard, 31, civilian employee of the Naval Investigative Service charged with providing secret documents to a foreign government.

■ Anne L. Henderson-Pollard, 25, Pollard's wife, charged with possessing classified documents.

■ John Anthony Walker Jr., 48, retired Navy communications specialist, masterminded a family spy ring that included son Michael Walker, 22, a seaman assigned to the aircraft carrier USS Nimitz, brother Arthur James Walker, 51, and friend Jerry Whitworth. John Anthony and Michael pleaded guilty. Whitworth faces trial.

■ Edward L. Howard, 33, former CIA employee fired from the agency in 1983 charged by the FBI on Sept. 23 with selling U.S. secrets to Soviet KGB officials in Austria, a year ago. Howard fled his home near Sante Fe, N.M., on Sept. 21. He is believed to have left the USA.

■ Richard M. Miller, former FBI agent, faces a second espionage trial after a federal jury deadlocked. He is charged with passing classified documents to his Soviet lover, Svetlana Ogonnikova, and her husband, Nikolay, pleaded guilty to spying and are in jail.

■ Samuel Loring Morison, 40, former Navy intelligence analyst, set to be sentenced Monday for providing a British military journal photos of a Soviet aircraft carrier under construction.

■ Thomas Patrick Cavanaugh, 40, former Northrop Corp. engineer, got life in prison after confessing that he had tried to sell secret plans for the Stealth bomber to FBI agents posing as Soviet spies.

# FBI Says Spy Suspect Admits Selling Data

## Yurchenko's Disclosures Led to Pelton

A former communications specialist who spent 14 years working for the highly secret U.S. National Security Agency has admitted selling what the government described as "extremely sensitive" intelligence information to the Soviet Union during the last five years, according to documents filed yesterday in U.S. District Court in Baltimore.

Ronald William Pelton, 44, who was arrested early yesterday at the Annapolis Hilton Hotel, was identified as a Soviet spy earlier this year based on information from Soviet KGB official Vitaly S. Yurchenko, according to Assistant FBI Director William Baker. Yurchenko asked for political asylum here in August, then abruptly decided to return to the Soviet Union in early November.

Pelton, who was arraigned yesterday, is the 14th person in the country charged with espionage this year, including three last week. Baker said the recent arrests are partially a result of an increased number of FBI agents assigned to counterintelligence duty and a "higher priority" in the FBI and Justice Department to prosecute espionage suspects.

Fred W. Bennett, the public defender who represented convicted spy John Anthony Walker Jr., was appointed by the court as Pelton's lawyer. If convicted of the charges against him, Pelton could face life imprisonment.

Bennett said statements to the FBI should not be characterized as a confession. "There are a number of potential defenses," Bennett said.

He said he hasn't seen transcripts "of any statements [Pelton] allegedly made. We can't tell if they will be admissible as evidence."

Pelton, a sandy-haired man graying slightly at the temples, said little at the brief court hearing.

According to an FBI affidavit presented during the hearing, Pelton admitted he made contact with the Soviets in January 1980, the year after he left the NSA at a salary of \$24,500 in the midst of "serious financial troubles." He subsequently made several trips to Vienna,

See PELTON, A12, Col. 1

PELTON, From A1

na, where he stayed at the home of the Soviet ambassador and was debriefed at length by KGB agents, according to the FBI.

Pelton had worked for the NSA from November 1965 until July 1979. The NSA, headquartered at Fort Meade, Md., north of Washington, is the largest and most secret U.S. intelligence agency. It houses the U.S. government's largest and most sophisticated supercomputers designed to crack encoded foreign military and diplomatic messages gathered by tens of thousands of employees worldwide.

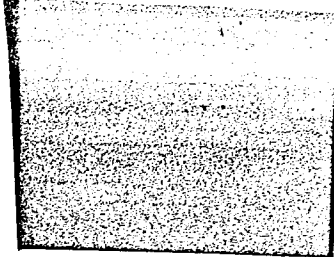
In addition to his top secret clearance, Pelton had clearances "for special compartmented information relating to signals intelligence," and was the author of a 1978 classified document "concerning technical information about the Soviet Union," according to the affidavit.

Intelligence sources said yesterday that Pelton's access to sensitive electronic eavesdropping systems and procedures represented a "serious loss" to U.S. intelligence. Sources said it appears Pelton may have told the Soviets details of collection systems, such as spy satellites and electronic listening posts in foreign countries or on spy planes and ships.

The FBI said Pelton approached the Soviets four months after filing for bankruptcy in which he listed debts of \$64,650, including first and second mortgages on a Howard County home he valued at \$31,000, and credit card bills for gasoline, home furnishings and other items.

At the time of bankruptcy, Pelton said he had only \$6.80 in cash and \$8 in a checking account. He listed his other assets as four old cars, a motorcycle, a \$10 watch, a bowling ball, five pairs of shoes and a razor.

The affidavit gave the following



The Washington Post ☒  
Daily News (New York) \_\_\_\_\_  
The New York Times \_\_\_\_\_  
The Wall Street Journal \_\_\_\_\_  
The Chicago Tribune \_\_\_\_\_  
The Los Angeles Times \_\_\_\_\_  
The Christian Science Monitor \_\_\_\_\_

Date November 26, 1985

Page \_\_\_\_\_ FBI/DOJ

account: Pelton's mission with Soviets began with a trip to the Soviet Embassy in Washington. At that 1980 meeting, he agreed to sell them information and told them about a U.S. intelligence collection project targeted at the Soviet Union.

In October 1980, and in January 1983, Pelton traveled to Vienna and stayed in the Soviet Embassy apartment in the Soviet Embassy compound there. He told the FBI he received a call at his Silver Spring home from a contact who arranged for the 1983 trip.

Pelton said that on each occasion in Vienna, he spent three to four days in debriefing sessions with KGB agent Anatoly Slavnov. He spent about eight hours a day answering questions submitted in writing to Slavnov. Pelton said he was questioned about nearly every sensitive piece of information he had access to at NSA, including the documents on the Soviet Union he wrote in 1978.

Pelton admitted receiving cash exchange for the information, specifically \$15,000, during the visit. The FBI said bank records show he opened a new bank account in March 1983 and subsequently made two \$5,000 cash deposits. It could not be determined how much Pelton allegedly received from the Soviets.

Pelton also told the FBI that he spent three days in Vienna in October of this year but was unable to meet with a Soviet agent then. He said that when he returned, he got another call at home from a Soviet contact who asked that he make another trip to Vienna in October. The affidavit does not state whether that trip ever took place.

A senior FBI official said yesterday that federal agents did not know Pelton's name when the investigation

# Court Papers Say



Ronald W. Pelton, right, is led from Anne Arundel detention center by FBI agent.

tion began after Yurchenko's August defection.

"After we got the initial leads from Yurchenko, it took a lot of time and detective work with a lot of cooperation from NSA before we were able to zero in" on Pelton, assistant director Baker said.

"It is typical in espionage cases to confront the individual," Baker said, because a successful confrontation allows the FBI counterintelligence officials then to consider whether to bring a case against the suspected spy or to use the leverage gained to turn him into a double agent.

Information from Yurchenko also pointed to Edward L. Howard, a former CIA employee, who was charged with selling secrets to the Soviets but fled the country before he could be arrested.

At home in the Washington area, Pelton was a business entrepreneur who shifted jobs and residences with some frequency. Bennett, his

attorney, said Pelton is estranged from his wife, who lives in Gaithersburg with two of their four children.

Pelton told the landlord of his Dupont Circle apartment that he had an interest in a company, Gladhill Tractor Mart, and his rent checks had the company's name inscribed across the top.

But Maurice Gladhill, owner and president of the Frederick, Md., firm, said yesterday he "never saw or heard of" Pelton. He said he has not used the name "Gladhill Tractor Mart" since 1983, when he incorporated the business and received new business identification numbers. At that time, he said, he changed the firm's name to "Gladhill Tractor Mart Inc."

The landlord, who asked not to be identified, said Pelton, who rented a furnished English basement apartment at 1704 19th St. NW, seemed self-assured. The landlord said Pelton talked "with a

great deal of pride" about a health club, of which he was president, called Health and Fitness of Georgetown.

"He talked a lot about being healthy . . . about how he had shed a great deal of weight. He spoke with a great deal of authority," the landlord said.

Pelton signed a year's lease to rent the one-bedroom apartment for \$760 a month in October, according to the landlord. But he appeared never to really live there, the landlord said.

"I never detected any personal effects," said the landlord, who visited the apartment in early November. "I remember seeing a newspaper and some food, that's all."

Just a few weeks after he had signed the lease, the landlord said, Pelton insisted he had to break it, because he was buying a boat business in Annapolis and the apartment was too far away. Attorney Bennett said Pelton has been living on a houseboat in Annapolis recently.

Pelton also complained that someone had broken into his Lincoln Continental when he had parked it on the street, the landlord said.

Pelton has been drawing a \$600-a-week advance on commissions at Safford Yacht Sales, where he had worked as a salesman for two months, according to defense attorneys, and has no other assets except the 1979 Lincoln valued at \$1,000.

Further details of the case against Pelton are expected to emerge in a bond hearing set for tomorrow. He is currently in federal custody in the Baltimore City Jail.

U.S. intelligence has suffered several losses from its top secret eavesdropping programs, both of them involving spy satellites.

In January 1977 federal authorities discovered that a code room clerk at a top secret defense contractor facility of TRW Inc. in Cal-

ifornia had been selling technical data about the Rhyolite series of spy satellites, which allow NSA to sort through millions of telephone and radio communication signals in the Soviet Union from outer space.

The code room clerk, Christopher J. Boyce, then 22, and his boyhood friend, Andrew Dalton Lee, are currently serving prison terms in that spy case, which was popularized by the book and movie: "The Falcon and the Snowman."

James Bamford, author of "The Puzzle Palace," a history of NSA, said in an interview that while it is too early to tell what kind of secrets Pelton had access to over his 14-year career, there is a strong likelihood that he would be able to tell the Soviets a great deal about NSA eavesdropping activities around the world.

Bamford pointed out that all NSA employees have at minimum a top secret-signals security clearance that requires a special background investigation.

"The worst case," Bamford said, "is that he might be able to tell the Russians that we are able to intercept, for instance, the link between Moscow and the submarine bases at Vladivostok" or some other sensitive military link.

Bamford added that someone with top secret-signals intelligence clearance also could compromise which coded military channels NSA can intercept and decipher on a regular basis.

"It sounds like he worked in attacking Soviet communications," Bamford said, adding that the key to understanding the damage he may have done to U.S. intelligence would be in reconstructing all the top secret programs he had worked on for more than a decade.

Staff writers John Mintz and Sharon LaFraniere contributed to this report.

## Ex-Communication Specialist for Security Agency Tells of K.G.B. Questioning

Special to The New York Times

Mr. Pelton told the Federal Bureau of Investigation in an interview Sunday that he met with a Soviet intelligence officer several times from January 1980 through January 1983, according to a bureau affidavit filed in Federal District Court today. It said that the spying went on until September of last year.

The F.B.I. affidavit said that the Pelton worked for the Central Intelligence Agency from 1946 to 1950, and had top-secret security clearance and special access to signals.

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# U.S. Netap Held After Confession of Spying



Ronald W. Pelton, right, as Federal agents escorted him to the Anne Arundel County Detention Center in Annapolis.

Mr. Pelton, it added, has admitted that he went to Vienna again in April of this year but was unable to meet with his Soviet contacts. According to the F.B.I., he said that a Soviet agent called his home last July and asked Mr. Pelton to travel to Vienna in October. The affidavit did not say if he made that trip.

The four-page bureau affidavit, signed by a special agent, David E. Faulkner, said that Mr. Pelton provided the Soviet Union with informa-

tion about a 1978 report written "concerning information about the Soviet interest to the N.S.A."

According to the F.B.I., the document contains sensitive information that may potentially damage the U.S. if divulged. Mr. Pelton, the affidavit says, has told the bureau that he was "interested in all of the information outlined in the document" and that he provided the Soviet Union with information about the report today.

# he Four Suspects in the Spy Cases

By ROBIN TONER

Special to The New York Times

WASHINGTON, Nov. 25 — Over the five days, the Federal authorities arrested four people on espionage-related charges. Here is a summary of their cases and their backgrounds:

## Nathan Jay Pollard

Nathan Jay Pollard, 31-years old, suspected of spying for Israel while living as a counterintelligence analyst for the Navy.

He was arrested and charged with espionage Thursday after allegedly trying to seek asylum at the Israeli Embassy. He was turned back by embassy officials who were apparently surprised by his arrival and appearance.

hended moments later by the Federal Bureau of Investigation. Prosecutors said that he was confronted by F.B.I. agents earlier in the week with what the authorities described as evidence of espionage and that he was apparently aware he was under surveillance.

Mr. Pollard, the son of a professor of microbiology at the University of Notre Dame, is a graduate of Stanford University, where he studied international relations. He also attended the Fletcher School of Law and Diplomacy at Tufts University.

He was hired by the Naval Operational Intelligence Center in 1979. In the fall of 1983, he was assigned to a newly formed antiterrorism unit of the Naval Investigative Service.

Mr. Pollard lived with his wife, Anne Henderson-Pollard, in a four-story, brick apartment building in the Dupont Circle area of Washington. Neighbors described him as a quiet and pleasant man who drove an aging Ford Mustang and dressed modestly. One neighbor said he assumed Mr. Pollard was an accountant.

## Anne Henderson-Pollard

Anne Henderson-Pollard, 25-years old, was officially charged in Federal Magistrate's Court today with unauthorized possession of national defense information.

The Government says Mrs. Pollard was told by her husband to remove "certain articles" from their apartment on Nov. 18, while her husband was being questioned by agents of the Federal Bureau of Investigation.

Later that day, the Government alleges, she delivered a suitcase containing classified documents to another person, saying that "something had happened to her husband," and the contents of the suitcase "must be destroyed." That person was not identified by the authorities. The suitcase and its contents were later recovered by the F.B.I.

Mrs. Henderson-Pollard worked for more than three years for the National Rifle Association, primarily as a secretary, said John Aquilino, an official of the association. She left earlier this year, going to work on a freelance, commission basis for CommCore Inc., a New York-based public relations concern. An official with that concern said Mrs. Henderson-Pollard's assignment was to attract new business but that she had yet to receive any commissions.

"She wanted very much to be, I think, like her dad," said Mr. Aquilino.

Her father, Bernie Henderson of Oak City, Pa., said in an interview that he was a former press secretary for the International Brotherhood of Teamsters and currently works in public

relations for the Quaker State Oil Company.

## Larry Wu-Tai Chin

Larry Wu-Tai Chin, 63 years old, is one of a handful of employees of the Central Intelligence Agency ever arrested on espionage charges.

Mr. Chin, retired from the C.I.A. since 1981, was accused Saturday of spying for China for more than 30 years. A resident of Alexandria, Va., Mr. Chin appeared weary and frail as he was formally charged in Federal Magistrate's Court Saturday.

An F.B.I. criminal complaint says Mr. Chin was a civilian employee of the Army in World War II, was employed by the American consulate in Shanghai as an interpreter in 1948 and moved with the consulate to Hong Kong two years later. He was involved in interviewing Chinese prisoners in the Korean War.

In 1952, according to the F.B.I., Mr. Chin went to work for the Foreign Broadcast Information Service, a division of the C.I.A.

The authorities have charged that Mr. Chin, who had been under investigation since December 1983, was "indoctrinated" by a Dr. Wang in the 1940's "on the aims of the Chinese Communist Party."

The Government contends that Mr. Chin, a native of China who became an American citizen, provided a variety of information to the Chinese from 1952 on, including the location of Chinese prisoners of war in Korea. He is accused of receiving more than \$140,000 for the information he provided.

## Ronald William Pelton

Ronald William Pelton, a 44-year-old former communications specialist for the National Security Agency, was arrested early Monday and charged with espionage.

Mr. Pelton, who worked for the agency from 1965 to 1979, is accused of selling information to the Soviet Union. Documents filed today contend that Mr. Pelton provided Soviet agents with details of "a United States intelligence-collection project targeted at the Soviet Union."

The F.B.I. said Mr. Pelton became a spy after he left the agency in 1979. Officials indicated that they believe Mr. Pelton's motivation was financial. The authorities said he had declared bankruptcy in 1979.

While at the agency, Mr. Pelton had a top-secret security clearance with special access to signals intelligence, according to the F.B.I. He worked most recently as a yacht salesman.

At a brief court appearance today, Mr. Pelton answered questions clearly and appeared to be in control, although his wife, Judith, was visibly shaken.

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Wall Street Journal \_\_\_\_\_  
Chicago Tribune \_\_\_\_\_  
Los Angeles Times \_\_\_\_\_  
Christian Science Monitor \_\_\_\_\_

11/26/85

# Intelligence Experts See No Link Among Arrests

By STEPHEN ENGELBERG

Special to The New York Times

WASHINGTON, Nov. 25 — Espionage arrests in the days since the disclosure of the Edward Lee Howard case have not led to a new sense of urgency, according to intelligence experts. They said the arrests are just part of a long-term effort to root out spies and that the government is looking for more evidence to charge them.

Howard, a former Central Intelligence officer who is believed to have fled the country, was arrested by the Justice Department last week. He was charged with espionage and with passing secrets to the Soviet Union.

Howard's arrest was the first in a series of espionage arrests that have taken place in the past few months. The government has also arrested several other people who are suspected of spying for the Soviet Union.

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community that is very comfortable about what we're doing," Mr. Trott said. "They don't think that more stuff is going to be dragged out in court."

One factor that may have encouraged the F.B.I. to move quickly in the cases was the criticism the bureau received for failing to detain Edward Lee Howard, a former Central Intelligence officer who is believed to have fled the country. According to law enforcement officials, the F.B.I. did not have sufficient evidence to arrest Mr. Howard, who had been interviewed by bureau agents but not charged.

As part of its broad examination of intelligence issues, the Senate Select Committee on Intelligence has said it is looking into why Mr. Howard was able to evade authorities. Law-enforcement officials have said the surveillance on him was "loose" and not intended to hold him. No arrest warrant had been issued when he escaped.

According to court documents, Mr. Chin had been under suspicion since 1983. Ronald W. Pelton, the National Security Agency employee arrested early today, had admitted espionage to F.B.I. agents in an interview on Sunday. Jonathan Jay Pollard and his wife were taken in shortly after Mr. Pollard, under surveillance by the F.B.I., drove onto the grounds of the Israeli Embassy here on Thursday.

## 'I Would Say It's Both'

An Administration official, asked about the large number of espionage arrests, replied: "Is it because we're looking harder or because there are more? I would say it's both."

He noted that the number of Soviet espionage officers had significantly increased since President Reagan took office. He said it was not surprising that officials in Government agencies had been recruited as spies by Soviet intelligence services that operate worldwide.

"What do you think these guys do for a day?" the official said. "Probably these guys are not sitting around American television; they're doing something with somebody. It's not to reason there are more spies than we know about."

The House today applauded the arrests. "This Administration has set priority on the issue of espionage," Larry White House spokesman, said. "Our goal is to have more people and an agency to recognize the threat to our security posed by the intelligence. I think we're off."

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The Washington Post \_\_\_\_\_  
Daily News (New York) \_\_\_\_\_  
The New York Times \_\_\_\_\_  
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